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Japan

Kaifu To Seek Bush Support Against USSR Aid

OW0807003691 Tokyo KYODO in English 2355 GMT 7 Jul 91

[Text] Tokyo, July 8 KYODO—Prime Minister Toshiki Kaifu is to leave for the United States Wednesday in an effort to enjoin U.S. President George Bush against providing Western economic aid to the Soviet Union, a subject expected to be the top agenda item at the London summit of major industrial countries July 15-17.

Kaifu and his wife Sachiyo are to spend July 11 as guests at Bush's vacation home in Maine.

Chief Cabinet Secretary Misoji Sakamoto, speaking about the visit, said assistance to the Soviets will be a major item for the two leaders as they meet only four days before the London summit among the leaders of Britain, France, Germany, Italy, Canada, the United States, and Japan.

Soviet President Mikhail Gorbachev is expected to explain economic reform plans and seek Western aid on July 17 when he meets the summit leaders after the formal sesions of the 17th economic summit are over.

Kaifu, who arrives in the United States July 10, is to be interviewed by a U.S. television network in Boston before meeting Bush in Maine. It is expected he will be asked for Japanese views on the 50th anniversary of the attack on Pearl Harbor, but a Foreign Ministry official said the premier will answer the question from a prepared text.

In an interview with THE WASHINGTON POST late April, Kaifu said, Japan's standpoint "should be one of self-reflection about the history of Pearl Harbor."

The Bush administration, worried about stimulating bitter memories and fueling anti-Japan feelings at home, has decided not to invite any foreign governments to ceremonies in December this year marking the December 7, 1941, surprise attack which led the United States into World War II.

Apart from the interview, Kaifu's assignment is to form a joint strategy with Bush to avert any split among the G-7 nations over Soviet aid, the Foreign Ministry official said.

Germany, France, and Italy are looking for economic assistance on the grounds that the failure of Gorbachev's perestroyka would lead to instability in Europe, as well as the rest of the world.

Japan, the U.S., and Britain are seeking only a "go-slow" aid package before they see more evidence that the Soviet economy is becoming more market-oriented.

The United States proposes an economic assistance plan which begins with modest steps, including farm export credits, associate membership in the International Monetary Fund (IMF), conversion of defense industries to civilian use, improvements in the distribution system, and technical advice on recovery of energy resources.

"Japan's approach to Soviet aid is the same as the U.S. proposal. There is no difference between Japan and the U.S.," the official said.

For example, Japan was committed to gas development projects in Siberia in the 1970s and will extend food export credits to the Soviets this fall.

Kaifu, whose current term of office expires at the end of October and has no personal power base in the Liberal Democratic Party (LDP), hopes to get high marks from more powerful LDP leaders for his performance in the United States and at the London summit.

The Japan-U.S. meeting is seen as an opportunity for Kaifu to demonstrate his "close relationship" with Bush, one he hopes to parlay into success in London.

The "informal heart-to-heart, in-depth" chat with Bush is expected to last five or six hours over dinner and breakfast meetings with only a few aides assisting each leader.

A senior Foreign Ministry official said the premier and the U.S. President are scheduled to spend "only 10 minutes" on discussions on trade before preparatory, working-level consultations between the Foreign Ministry and the State Department.

But Bush will certainly urge Kaifu to give more foreign access to the Japanese rice market, despite the short time on trade anticipated by Japanese and U.S. Government officials, political observers said.

The 24-member Organization for Economic Cooperation and Development (OECD) agreed last month that the stalled Uruguay Round of multilateral trade negogiations "must be brought to a substantial and comprehensive conclusion as early as possible, preferably before the end of the year."

Japan's refusal to open the rice market poses a major obstacle to progress in the Uruguay Round under the General Agreement on Tariffs and Trade (GATT), as does along with a farm trade dispute between the United States and the European Community (EC).

The U.S. calls for "tariffication" of all nontariff barriers, a measure to change farm subsidies and other invisible market barriers into tariffs, followed by more liberal farm markets.

But Kaifu will reiterate to Bush that Japan, the world's biggest farm product importer, is not prepared to lift a ban on rice imports from a standpoint of "food security," an idea that calls for self- sufficiency in staple foods.

Kaifu, Gorbachev To Meet in London 17 Jul

OW0607071991 Tokyo KYODO in English 0630 GMT 6 Jul 91

[Text] Tokyo, July 6 KYODO—Japanese Prime Minister Toshiki Kaifu will meet with Soviet President Mikhail Gorbachev in London on July 17 soon after the summit of seven Western industrial nations is over, a government spokesman said Saturday.

Chief Cabinet Secretary Misoji Sakamoto told reporters the meeting will take place after the official functions of the summit are completed.

Kaifu will decline a Soviet request for aid to promote economic reforms pending a territorial dispute over four Soviet-held North Pacific islands, Sakamoto said.

Government sources said no notable progress has been made in negotiations for a settlement of the long-standing dispute.

They said Japan's assistance to the Soviet Union will be limited to technological aid until negotiations on the dispute make progress.

Kaifu on Aid to Soviets, Foreign Relations

OW0807070991 Tokyo KYODO in English 0645 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—Prime Minister Toshiki Kaifu, playing down a longstanding territorial dispute with the Soviet Union, cited Monday a wide array of conditions Moscow must meet before Japan will give it financial assistance.

"Japan has supported the correct direction of perestroyka reforms and will continue to do so to the extent possible," Kaifu said in a group interview with correspondents from some of the member countries of the coming London summit of seven industrialized nations.

The Soviet plans for economic reforms and its shift of resources from military to civilian applications are among the criteria under scrutiny, a Foreign Ministry official said in a briefing following the interview.

Though Kaifu did not make specific mention of Soviet concessions on the territorial issue as a condition for aid, he said another consideration would be the "global application" of the Soviet Union's new liberalized diplomacy, or "new thinking," the official said.

The application in the Asia-Pacific region of "new thinking"—regarded as a linchpin in the democratization of Europe—is widely interpreted here as including a resolution to the disagreement over ownership of four small islands off Hokkaido occupied by the Soviet Union since the close of World War II.

Kaifu, however, ruled out any concessions by Japan on the knotty dispute that has blocked the conclusion of a peace treaty for the past four decades.

"The islands are an inherent part of Japanese territory. This is an issue of national sovereignty and there is no possibility of striking a compromise," he was quoted saying. "It is not like a sales transaction where there can be concessions."

Commenting on the stock scandal that has given rise to international criticism of Japan's stock market regulation, Kaifu told the correspondents that the incident should not be "misconstrued" as an issue that plagues Japan as a whole.

He said the facts are being investigated and efforts would be made to avoid the recurrence of such a scandal.

The presidents of two powerful stock brokerages, Nomura Securities Co. and Nikko Securities Co., resigned last month following reports that their companies had compensated favored clients for losses on stock trading and had ties with gangsters.

The Finance Ministry, with Kaifu's consent, plans to penalize the "big four" brokerage houses for the scandal, ministry sources said Monday.

Kaifu offered the foreign correspondents a favorable report card on Japan-U.S. relations, noting that a number of trade issues have been laid to rest in recent months.

Cooperation on global issues such as the environment, controlling drugs, and policies toward the Soviet Union are becoming increasingly important components of bilateral relations, Kaifu said.

Kaifu leaves Wednesday for the United States where he will visit President George Bush at his vacation home in Kennebunkport, Maine, before proceeding to the July 15-17 summit in London.

On relations with the European Community (EC), Kaifu said deepening mutual understanding is necessary.

He said he believed integration of the European market in 1992 would help promote stability. The market, however, should remain open to international trade.

Though he personally believes Europe will remain open, Southeast Asian countries in particular are wary of "fortress Europe," Kaifu said.

Kaifu Briefs Opposition Before Europe Trip

OW0607093191 Tokyo KYODO in English 0842 GMT 6 Jul 91

[Text] Tokyo, July 6 KYODO—Prime Minister Toshiki Kaifu reiterated on Saturday that Japan will not extend full-scale assistance to the Soviet Union unless Moscow presents reform plans for a market-oriented economy.

Kaifu replied to a question from Democratic Socialist Party (DSP) Chairman Keigo Ouchi when he met the opposition party leader at the prime minister's residence, nine days before Kaifu attends a three-day summit meeting of seven industrialized countries' leaders beginning July 15 in London.

Kaifu also held separate meetings with four other opposition leaders, Social Democratic Party (SDP) Chairwoman Takako Doi, Komeito Chairman Koshiro Ishida, United Social Democratic Party Chairman Satsuki Eda, and Japan Communist Party Chief Tetsuzo Fuwa at the residence.

The DSP's Ouchi told Kaifu that Japan should be cautious about providing financial aid to the Soviet Union as Moscow has not mapped out its plans to introduce a market-oriented economy.

Kaifu agreed with Ouchi on the matter.

Referring to an extraordinary Diet session, Kaifu asked the five opposition leaders to cooperate with him to open the session as early as possible to deliberate on political reform bills highlighting a single-seat constituency system, combined with a proportional representation system.

The opposition leaders expressed to Kaifu their reluctance on the early opening of an extraordinary Diet session unless the ruling Liberal Democratic Party (LDP) gives final approval to government- drafted political reform bills.

The executive council of the LDP, the party's decision-making organ, has not yet endorsed the bills.

The bills would introduce 300 single-seat house of representatives constituencies. Another 171 seats would be elected through a proportional representation system, for a total of 471 seats. The house has 512 seats at present.

There are some LDP members opposed to the bills on political reform because of fears they might lose their parliamentary seats under the new electoral system.

The SDP's Doi told Kaifu that a date for the opening of an extraordinary Diet session cannot be fixed unless the cabinet approves the bills after the LDP's executive council endorses them.

On disarmament and arms control, Kaifu said that he will present measures to control arms exports at the London summit.

Kaifu promised to Doi that the government will study a possibility of making a law to ban the export of arms from Japan to foreign countries, after the opposition leader made the proposal to him.

Doi's proposal came one day after the major Japanese electronic company Japan Electronic Aviation Industries Ltd. admitted and apologized for having exported missile parts to Iran during the 1981-1988 Iran-Iraq war in violation of the foreign exchange and trade control law.

Kaifu touched on a stock scandal involving the four Japanese biggest securities companies, saying he ordered Finance Minister Ryutaro Hashimoto to investigate the scandal and to present the results of the investigation to parliament.

Kaifu said he fears foreign countries will regard Japan as different in social rules and legal customs.

Nomura Securities Co., Nikko Securities, Daiwa Securities Co. and Yamaichi Securities Co. reimbursed major corporate clients for losses in the financial markets.

After Kaifu's meetings with the heads of the five opposition parties, LDP Secretary General Keizo Obuchi held separate meetings with the secretaries general of three of the opposition parties—Tsuruo Yamaguchi of the SDP, Yuichi Ichikawa of Komeito, and Takashi Yonezawa of the DSP.

Obuchi asked the opposition parties to accept the LDP's push for an extraordinary Diet session early August.

The opposition officials said their parties are reluctant to agree to opening the session as the LDP's highest decision-making body, the Executive Council, appears to be in disarray over the government-proposed political reform plan.

But the opposition officials said they will not refuse the proposal for a Diet session in early August if the Executive Council endorses the reform plan and the Cabinet approves it.

Kaifu To Pledge Economic Support to Mongolia

OW0707094391 Tokyo KYODO in English 0914 GMT 7 Jul 91

[Text] Tokyo, July 7 KYODO—Prime Minister Toshiki Kaifu will assure Mongolian leaders of Japan's full-scale economic assistance during a visit in August, government sources said Sunday.

Kaifu will tell Mongolian leaders that Japan will provide economic assistance to help promote democratization and the transition to a market-oriented economy.

Kaifu is scheduled to visit Mongolia on August 13-14 after visiting China on August 10-13. He will be the first Japanese prime minister to visit Mongolia, which is currently promoting efforts to transform its decades-long centrally planned economy into a market one.

Japan plans to extend assistance to Mongolia for the development of energy resources and infrastructure, such as railways and communications, the sources said.

Kaifu will promise that Japan will extend short-term loans through international financial institutions to help Mongolia overcome the present economic crisis, they said.

Japan also plans to accept more Mongolian students.

Earlier this month, Mongolian President Punsalmaagiyn Ochirbat made a request to a delegation from Japan's ruling Liberal Democratic Party that Japan provide 200 million dollars in economic assistance.

Mongolia threw off seven decades of one-party communist rule last year, and is suffering serious economic problems because of economic uncertainty in the Soviet Union, which was its main supplier of aid.

Orchirbat's People's Revolutionary Party won Mongolia's first free elections in 1990, and he has called for the introduction of a market-oriented economy and expressed hopes of joining the International Monetary Fund, the World Bank, and the Asian Development Bank.

Mongolia is a land-locked country with a population of two million people, and rich in natural resources, which account for 40 percent of total exports.

But Mongolia needs to build up its economic infrastructure, particularly railways, in order to boost exports of minerals, said Japanese Government sources.

Geological Survey With China of Tarim Basin

OW0507081691 Tokyo KYODO in English 0705 GMT 5 Jul 91

[Text] Tokyo, July 5 KYODO—Japan and China have agreed to conduct a joint geological survey on the Tarim Basin Oil Field, Japan National Oil Corp. reported Friday.

The government-subsidized corporation said the agreement calls for both sides to survey a tract of about 30,000 square kilometers on the western side of the basin in northwestern China. The project begins next March and will run for four and a half years.

The basin, located in the Xinjiang Uygur Autonomous Region, is expected to have deposits of 10 billion tons of crude oil and 8.3 trillion cubic meters of natural gas, the corporation said.

Total costs for the survey are estimated at about 8.4 billion yen, it said.

The corporation said the survey will be done by about a dozen Japanese and about 200 Chinese workers. Data obtained in the exploration will be analyzed in Japan, it said.

China has decided to develop resources at the Tarim Basin under its Eighth 1991-95 Five-Year Plan.

Conference on Developing PRC's Tumen Basin

OW0507102891 Tokyo KYODO in English 0900 GMT 5 Jul 91

[Text] Tokyo, July 5 KYODO—Experts from seven countries will gather for a second time in China in August to discuss development of the Tumen River Basin on North Korea's border with China and the Soviet Union, business sources reported Friday.

The sources, knowledgeable about Sino-Japanese relations, said the meeting will be held at three cities in China's Jilin Province near the border with North Korea, from August 27 to September 1.

Attending the meeting will be about 90 economic experts and academicians from seven countries—China, the Soviet Union, North and South Korea, the United States, Japan, and Mongolia, they said.

The conference will be cosponsored by the U.S. East-West Center, based in Hawaii, and China's Asia-Pacific Research Organization.

The participants will also discuss economic cooperation among countries in Northeast Asia.

The Tumen River, which divides China and North Korea, flows into the Sea of Japan [words indistinct] with Siberia.

The sources said the river basin could become the center of a Japan sea-rim economic sphere in the future.

Concrete proposals for development of the Tumen Basin are expected to be put forward at the upcoming conference, they said.

At the previous session held in July last year, China proposed construction of a port for international trade on the lower reaches of the river, the sources said, adding that North Korea supported the idea in principle.

Technical Aid To Fix Bulgarian Reactors Planned

OW0607122191 Tokyo KYODO in English 1131 GMT 6 Jul 91

[Text] Tokyo, July 6 KYODO—Japan has agreed to provide technical assistance to Bulgaria to ensure the safety of that country's nuclear reactors, government officials said Saturday.

The Soviet-made reactors are of poor quality and could be in danger of causing a nuclear accident, the officials said.

The decision to help Bulgaria follows a call by the International Atomic Energy Agency (IAEA) for major industrial countries and international organizations to give Bulgaria technical and financial aid.

The agency envisions aid to Bulgaria as the first step to help the Soviet Union and East Europe reconstruct outdated nuclear reactors.

The officials said Japan's willingness to give technical aid stems from a fear that a nuclear disaster in Eastern Europe could prompt new campaigns against nuclear power stations in Japan.

Tetsuya Endo, Japanese envoy to the permanent mission to the Vienna-based international organization, will announce Japan's readiness to extend the aid at an IAEA meeting next Tuesday in the Austrian capital, where the agency is based, the officials said.

The aid would be administered through an IAEA project set up to pool assistance from Japan, the United States, Britain, Germany, and France. The project aims to control the safety of so-called light-water reactors in Eastern Europe, the officials said.

There are 14 reactors of this type in the Soviet Union, Czechoslovakia, the former East Germany, and Bulgaria.

Matsushita Plans Plants in USSR, East Europe

OW0507140991 Tokyo KYODO in English 1317 GMT 5 Jul 91

[Text] Osaka, July 5 KYODO—Akio Tanii, president of Matsushita Electric Industrial Co., indicated Friday that his firm is considering the possible creation of joint venture home appliance manufacturing plants in the Soviet Union and Eastern European countries.

In a press conference, he also disclosed a possible extension of technological aid to enterprises in such countries that will help improve their living standards.

In starting production in such countries, he said it will not be enough for enterprises to construct plants of their own there.

Joint ventures with local interests should be established and technological aid should be extended to local enterprises so that living standards will be raised in such countries, Tanii said.

He did not disclose definite plans for joint ventures in the Soviet Union or Eastern Europe.

However, Matsushita is keen to begin production of videocassette recorders (VCRs) and other home appliances in the Soviet Union and Eastern European countries, company sources indicated.

The sources said Matsushita will probably begin drafting plans for joint ventures in such countries after closely watching how its joint cathode ray tube production enterprise in China will fare.

Development Bank To Train East Europeans

OW0407120391 Tokyo KYODO in English 1110 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—Japan Development Bank said Thursday that it will accept financial-sector trainees from Poland and Hungary next year, making it Japan's first government-affiliated financial institution to accept such trainees from Eastern Europe.

In cooperation with the Japan International Cooperation Agency (JICA), the bank will accept about 10 trainees from the banking and securities sectors of the two nations, bank officials said.

The trainees will spend about three weeks, starting next February, studying various methods for project screening and funding which would help them in fiscal and financial policies in their countries, the officials said.

Firm Suspected of Illegal Shipments to Iran

OW0607020491 Tokyo KYODO in English 0137 GMT 6 Jul 91

[Text] Tokyo, July 6 KYODO—Japan Aviation Electronics Industry Ltd. is suspected of having manufactured and illegally exported 700 million yen worth of aviation gyroscopes and accelerometers to Iran at the request of a U.S. firm, police officials said Saturday.

Police revealed Friday the company is suspected of repairing missile parts and returning them to the Iranian Government.

The Metropolitan Police Department plans to call on U.S. law enforcement authorities to cooperate in investigating the case, although the statute of limitations for the offenses has expired under Japanese law, the officials said.

Police Friday searched the offices of the major aerospace electronic equipment maker, an affiliate of NEC Corp., and seized more than 3,000 documents and other evidence linked to allegations the company illegally repaired and shipped missile parts to Iran during the Iran-Iraq war.

Police say Japan Aviation Electronics illegally imported pieces of the flight control mechanism of U.S.-made missiles from Iran, beginning in 1983.

The firm allegedly repaired the parts, estimated to have been worth 40 million yen all together, then smuggled them back to Iran via Singapore.

The company obtained import and export permits for the shipments from the Ministry of International Trade and Industry (MITI) by submitting falsified documents.

The illegal shipments are believed to have been handled in Hong Kong and Singapore by an American broker, the officials said.

Police are investigating the background of the broker and his possible connection with a U.S. company said to have ordered the gyroscopes and accelerometers from Japan Aviation Electronics.

MITI officials have questioned a former president of Japan Aviation Electronics on suspicion of violating the foreign exchange and trade control law and is considering taking stern action against the company, officials said.

The Japanese Government virtually bans weapon exports under three criteria that prohibit arms exports to communist countries, to countries to which the United Nations forbids arm exports, and to countries directly involved in international conflicts or likely to be involved in such conflicts.

Japan Aviation Electronics was established in 1953. It specializes in aeronautical inertial navigation equipment and automatic control systems using gyros and accelerometers.

Firm Admits Exporting Missile Parts

OW0507154691 Tokyo KYODO in English 1516 GMT 5 Jul 91

[Excerpt] Tokyo, July 5 KYODO—A major Japanese electronics firm Friday admitted and apologized for having illegally exported missile parts to Iran during the Iran-Iraq war.

Koichi Kondo, an executive of Japan Aviation Electronics Industry Ltd., a leading aerospace electronic equipment maker affiliated with NEC Corp., said that the company repaired missile parts on behalf of a Hong Kong company between 1987 and 1989.

Kondo said at a press conference the company did not realize that the pieces to be repaired were from missiles when his company concluded a contract with the Hong Kong firm.

He said it was originally believed the pieces were from a device to measure water flow.

Kondo, confirming that the pieces repaired were flywheels from the stabilizer system of Sidewinder air-to-air missiles, said the company repaired 1,400 or 1,500 of the flywheels and exported them to a customs broker in Singapore from late 1987 or early 1988 to March of 1989.

The total repair charges were 34 million yen or more, Kondo said.

He also said his company learned for the first time that the repaired missile parts had been sent to Iran when police started questioning company officials in late June.

Kondo admitted, however, that some company officials became aware that the equipment was for missiles soon after the repairs began. [passage omitted]

'Outline' of Defense White Paper Reported

OW0707103191 Tokyo KYODO in English 1009 GMT 7 Jul 91

[Text] Tokyo, July 7 KYODO—An upcoming government white paper on defense policy calls for strengthening the multilateral crackdown on weapons dealing.

KYODO NEWS SERVICE has obtained an outline of the defense white paper, which the Defense Agency will publish in late July.

In its analysis of the military situation in the Far East, the 1991 defense white paper says the continued presence of a large Soviet Far East military force requires rigid security in the region.

For the second year in a row, the annual white paper does not refer to the 'potential threat posed by the Soviet Union,' because the Soviet Union's internal situation makes it unlikely to invade Japan in the near future, Defense Agency officials said.

The 1990 defense white paper dropped the phrase for the first time, because of the Soviet leadership's policy of perestroyka (restructuring) and glasnost (openness), which have increased freedom for Soviet citizens.

The Japanese Government will continue to monitor 'destabilizing political factors that stem from ethnic separatist moves' by breakaway republics demanding independence and greater freedom from the central government, the paper said.

The paper underlines Japan's readiness to have a higher profile in international politics by advocating stopping the spread of missiles and weapons of massive destructive power, such as nuclear, biological and chemical weapons.

The international community should learn the lessons of the Persian Gulf war by enhancing efforts to 'regulate international trade in the conventional weapons, especially that with Third World countries,' the paper says.

The white paper comes at a time when the need to crack down on international arms trade is being spotlighted by news reports that Japanese police raided the offices of a Tokyo aeronautics company affiliated with NEC Corp., suspected of smuggling missile parts to Iran via Singapore.

Officials say that Japan Aviation Electronics Industry Ltd. illegally exported 700 million yen worth of aviation gyroscopes and accelerometers to Iran in collaboration with a U.S. firm.

The white paper also underscores the need for the Self-Defense Forces to play a role as part of Japan's efforts 'to contribute to the international community in terms of personnel.' The paper cites as an example the sending of Japanese minesweepers to the Gulf.

It also commends the expulsion of Iraqi troops from Kuwait earlier this year by multilateral forces as 'showing a pattern of action designed to maintain international order in a new era.'

It also notes Prime Minister Toshiki Kaifu's proposal for requiring member nations to report to the United Nations any international transfers of arms to aid in monitoring arms trading.

Kaifu made the proposal at a U.N. disarmament conference in Kyoto in May.

Kaifu and the Foreign Ministry strongly requested that the proposal be incorporated into the white paper, Defense Agency officials said.

Further Reportage on Securities Scandal

Kobe Stops Business With Brokers

OW0507004391 Tokyo KYODO in English 2342 GMT 4 Jul 91

[Text] Tokyo, July 5 KYODO—Kobe City has suspended fund management contracts with the "big four" brokerage houses in the wake of the ongoing compensation and price rigging scandal within the securities industry, the NIHON KEIZAI SHIMBUN reported Friday.

The fund management contracts covered bond trading on a repurchase, or "gensaki" agreement basis, and buying of central and local government bonds, the Japanese-language economic daily reported.

The local government in western Japan booked "gensaki" transactions worth 140 billion yen and bought 10.5 billion yen worth of bonds last year, it said.

However, the "big four" brokerage houses—Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co., and Yamaichi Securities Co.—will continue to underwrite municipal bonds issued by the Kobe City government, it said.

Kobe City, where Japan's most powerful "yakuza" ganster group Yamaguchi-Gumi is headquartered, is sensitive to the "yakuza" problem.

Nomura Securities has been accused by government investigators of lending huge sums to a former gang leader, and manipulating share prices on his behalf.

'Big Four' on Losses in U.S.

OW0407113691 Tokyo KYODO in English 0234 GMT 4 Jul 91

[Text] New York, July 3 KYODO—Japan's "Big Four" securities companies said Wednesday they have told U.S. securities officials that their U.S. subsidiaries did not reimburse any of their U.S. clients for their losses in securities dealings as their parent companies did in Japan.

The "Big Four"—Nomura Securities Co., Daiwa Securities Co., Yamaichi Securities Co., and Nikko Securities

Co.—are under criticism for having compensated losses for favored institutional clients in Japan.

The four Japanese securities companies have assured the Securities and Exchange Commission (SEC) that their American units did not pay any compensations, a practice that is illegal in the United States, company officials said.

In Japan such compensation runs counter to a Finance Ministry directive but is not against the law, if transactions are made without a promise on such reimbursement.

Ministry Not To Disclose Rebated Firms

OW0407113491 Tokyo KYODO in English 0445 GMT 4 Jul 91

[Text] Tokyo, July 4 KYODO—The Finance Ministry will not disclose the names of firms that received rebates for losses on stock market speculation from major securities firms, a ministry official said Thursday.

Yukinori Nakahira, head of the Securities Bureau, said the ministry will advise the securities firms involved to present revised financial reports after details of the compensation are further clarified.

Nakahira refused to give the names of companies that received rebates from Nomura Securities Co. and Nikko Securities Co., saying the names had been provided to the ministry voluntarily.

Nomura, Nikko, Daiwa Securities Co., and Yamaichi Securities Co., have admitted compensating favored corporate clients for losses they suffered from securities transactions.

Extensive Compensation Revealed

OW0807160091 Tokyo KYODO in English 1529 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—Japan's four largest securities houses revealed Monday that their favored clients received a combined total of 124.5 billion yen in compensation for stock and bond market losses since September 1988.

The figure is almost double the 68.85 billion yen originally reported to have been paid to cover losses suffered by their preferred institutional clients.

The latest estimate was made public during press conferences given by Japan's big four securities houses—Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co.—earlier in the day.

The total includes compensation payments that were subject to additional taxes and penalties, the amount taxed as "entertainment expenses" and other related taxable expenses on March 1990 tax returns.

The amount charged as deductible expenses is also included.

A Daiwa Securities official said his firm calculated the total value of dubious transactions as well as those which might undermine the firm's reputation for soundness.

The Ministry of Finance (MOF) said earlier in the day that it will prohibit the nation's top four brokers from doing business with their institutional investors for four trading days beginning Wednesday as punishment for compensating big corporate clients.

The ministry also ordered Nomura, Japan's biggest brokerage, and Nikko, the nation's third largest, to halt business at head office marketing divisions during the four-day period.

The MOF imposed stiffer penalties on Nomura and Nikko for their transactions with members of an underworld syndicate, as well as for its compensation payments.

The ministry also issued a directive strongly discouraging the brokerages from managing accounts in which they are given full discretion as fund managers.

The MOF also instructed the four brokers to more carefully scrutinize their business management and tighten in-house supervision to prevent further scandals.

Following the MOF's measures, the firms held separate press conferences to announce resignations and pay cuts in hopes of restoring public confidence in the scandal-tainted industry.

Nomura and Nikko announced the resignation of six executives from the posts and pay cuts of 49 executives and employees.

Nomura admitted Monday that a former executive had been aware that the firm was dealing Susumu Ishii, a known underworld figure. [sentence as received]

Daiwa and Yamaichi said that 17 of their executives will receive lower wages for their role in compensating big clients.

In a related development, the Tokyo Stock Exchange (TSE) said it will fine the four brokerages a total of 16 million dollars for having jarred investor faith in the industry.

Nomura and Nikko will each be fined 5 million yen, and Yamaichi and Daiwa 3 million yen.

Resignations Reported

OW0807053591 Tokyo KYODO in English 0439 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—The Finance Ministry will shortly announce disciplinary actions against Japan's big securities companies tainted by a series of scandals over their dubious payouts to favored clients and links with a crime syndicate.

The ministry will summon top officials of the "Big Four" brokerages to notify them of salary cuts for top managers, self-restraint in deals with corporate customers, and other penalties.

Earlier in the day, Finance Minister Ryutaro Hashimoto informed Prime Minister Toshiki Kaifu of the punishments and received the go-ahead on them.

Kaifu has asked the ministry to deal sternly with the scandals, calling for an official investigation into the securities industry and tighter controls.

The move follows the recent string of disclosures that the four companies reimbursed large clients for trading losses and gave loans to a leading underworld figure. Their combined compensation is estimated at 68.8 billion yen.

In the wake of the revelations, Nomura President Yoshihisa Tabuchi stepped down as head of the world's biggest brokerage house. Takuya Iwasaki, president of Nikko Securities Co., quickly followed suit.

The other two major securities companies involved are Daiwa Securities Co. and Yamaichi Securities Co.

In a related development, Chiba Prefecture has decided to suspend fund management contracts with the four securities houses for an indefinite period following a similar action taken by Kobe City last week.

Chiba Prefecture has invested part of its 4 billion yen fund for greenery in bonds and other financial vehicles through the four brokerages. The balance of such bonds held by the prefecture totals 1,377 million yen.

Ministry Announces Penalties

OW0807091491 Tokyo KYODO in English 0849 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—Finance Minister Ryutaro Hashimoto on Monday ordered the big four securities houses to restrain from doing business with corporations for four days from Wednesday.

At a hastily arranged press conference at the ministry Monday evening, Hashimoto also said Nomura Securities Co. and Nikko Securities Co. must exercise self-restraint on business activities at their head offices [during] the period.

The measures were taken following a series of disclosures of improper actions such as links with gangsters and loss compensation for large investors by Nomura, Nikko, Diawa Securities Co., and Yamaichi Securities Co.

Hashimoto also said the Finance Ministry will begin studies to legally ban discretionary accounts and loss compensation by the securities industry.

Exchange To Fine Securities Houses

OW0807104491 Tokyo KYODO in English 0932 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—The Tokyo Stock Exchange (TSE) said Monday it decided to fine Japan's "big four" securities houses 16 million yen for dealings that have shaken investor faith in the industry.

The TSE is fining Nomura Securities Co. and Nikko Securities Co. 5 million yen each for compensating major clients for losses incurred from the bond and stock market investments, and for dealings with an underworld criminal figure.

It will also fine Yamaichi Securities Co. and Daiwa Securities Co. 3 million yen each for paying off their big institutional clients.

Further on Punitive Actions

OW0807154791 Tokyo KYODO in English 1502 GMT 8 Jul 91

[Text] Tokyo, July 8 KYODO—Japan's "big four" securities firms announced Monday they will take sweeping punitive action against officials involved in recent stock market scandals in hopes of restoring public confidence.

Hideo Sakamaki, Nomura's new president, announced that 35 top Nomura-group officials will be punished by the firm for their role in questionable dealings.

The presidents of Yamaichi Securities Co., Daiwa Securities Co., and Yamaichi Securities Co., also spoke with the press Monday evening after meeting with Finance Ministry officials.

Ministry officials ordered the firms to refrain from trading for corporate accounts for four days as punishment for the shady dealings recently uncovered.

It was revealed last month that the firms had compensated large clients for their losses, a practice officially discouraged by the ministry.

The presidents of Nomura and Nikko Securities resigned two weeks ago after it was reported that their companies had also helped finance firms linked to the underworld.

The punishment for Nomura and Nikko, which admitted to financing a company controlled by an underworld figure, was more severe, including the suspension of all trade at their head offices.

Four Nomura-group executives will resign from their posts, including two from Nomura Securities, directly connected to the shady dealings, while a total of 31 officials will take 10 percent reductions in pay for three to 12 months.

Nikko announced the dismissal of two executives from their posts, including one from a Nikko-group company, and 10-percent pay cuts lasting from three to 12 months for 18 other officials in connection with deals involving organized crime figures.

Nikko will also cut the salaries of six executives by 10 percent for three months for their involvement in compensating clients which lost money.

Daiwa said eight of its officials will suffer five to 10 percent pay cuts for three months.

Yamaichi announced 10 and 20 percent three-month pay cuts for nine executives.

The heads of each company also said they would take measures to assure that such dealings would not happen again.

Some market watchers, however, expressed skepticism over whether the temporary shutdown and other punishments will be enough to reform the industry.

"I hope it's enough," said Shigeru Akiba, chief trader at ubs Phillips and Drew International, "but the structural problem still exists."

Akiba said the big corporate investors who expect brokers to cover their losses are also responsible. "They have to change their ways before the market can change."

John Doyle, chief trader at Maruso Securities Co., said the moves should be enough to discourage further compensation payments but will hurt the market in the short-term.

There will be a "purge" of speculative money from the market as Tokyo market players "start to realize they cannot move independently with rules totally different," from other major markets.

He said the big brokers will feign "an active period of shame," where the Nikkei 225 Index will slide below the 20,000 level but that the market will probably rise again.

Nomura President Sakamaki said he hoped this would put the scandal to rest, but said Nomura would take further measures if the need arose.

Finance Minister News Conference

OW0507052191 Tokyo KYODO in English 0455 GMT 5 Jul 91

[Text] Tokyo, July 5 KYODO—Finance Minister Ryutaro Hashimoto on Friday opposed the establishment of a watchdog body similar to the U.S. Securities and Exchange Commission (SEC).

Japanese business leaders have called for a Japanese version of the SEC in the wake of the ongoing scandal involving the securities industry.

Hashimoto said in a press conference after a regular cabinet meeting that there was a difference in the securities systems of Japan and the United States, because the former licenses securities houses and the latter registers them.

"Japan would rather enhance the current system's performance and quality to supervise the financial circle more effectively," the finance minister said.

Hashimoto also said that despite concerns, the scandal was not a problem for public funds, such as the Pension Welfare Service Public Corp., which he said consulted with several investment advisory firms.

The corporation, an affiliate of the Health and Welfare Ministry, allegedly was compensated by Nomura Securities Co. for bond market losses worth about 4.5 billion yen.

Hashimoto, however, indicated that the corporation should manage its own funds.

Government, Brokerages Links Viewed

OW0507112091 Tokyo KYODO in English 1022 GMT 5 Jul 91

[By Atsuko Yamaguchi]

[Text] Tokyo, July 5 KYODO—The tight relationships with government regulators and clients that have allowed Tokyo's top brokerages to become some of the world's richest have backfired into a scandal that has shaken trust worldwide in the Japanese securities industry.

In a series of revelations that have all but driven small investors out of the stock market, several major brokerages have admitted lending money to organized crime syndicates and compensating big institutional clients for stock and bond market losses.

Japan's "big four" brokerages have admitted to compensating their big institutional clients for 65 billion yen in such losses from 1987 through 1990.

Nomura Securities Co., the world's largest brokerage house, alone paid out 16 billion yen.

Why do Japanese brokerages pay out such huge amounts?

Economists say the brokers do not want to risk losing their clients, and the fat commission fees they bring in.

Securities houses are reckoned to have earned a minimum of 1.2 trillion yen to 1.8 trillion yen in brokerage and underwriting fees between 1987 and 1989.

Clients, who often do all their business with a single broker in relationships lasting many years, threaten to take their business elsewhere if they lose money.

During the boom years of the late 1980s, many clients entrusted their funds to brokers in so-called "eigyo tokkin," a type of discretionary account allowing the brokers to double as fund managers, investing the money in whatever they choose, when they choose.

The clients asked just one thing—that the brokers guarantee a minimum return on their money better than the long-term prime lending rate.

Under Japan's Securities and Exchange Law, securities firms are prohibited from promising in advance to reimburse clients for losses.

Compensation without such a promise does not violate the law, but it does run counter to a nonbinding 1989 notice issued by the Ministry of Finance (MOF) discouraging securities firms from compensating clients.

The bullish market of the late 1980s made market players aggressive and they "began testing the legal and ethical framework," said Jesper Koll, chief economist at S.G. Warburg Securities (Japan) Inc.

Some have charged the Finance Ministry with having quietly approved such practices.

Former Nomura President Yoshihisa Tabuchi, who was recently forced to step down because of the scandal, said the ministry had given his firm the green light to compensate institutional clients and to report those payments as trading losses.

Although Finance Minister Ryutaro Hashimoto vehemently denied these charges, a high-ranking ministry official said the ministry was in fact aware of the payouts and failed to stop them.

Masaki Hirano, an economist at Sanyo Investment Research Ltd., said one reason the Japanese Government allows this sort of behavior is because "the Japanese, unlike Americans, are more concerned with long-term profits than the short-term."

And some scholars charge that the ministry is more interested in the smooth functioning of the Japanese economy than in strict enforcement of laws and regulations.

The ties between the MOF and the securities industry are so close—over 280 ministry officials have reportedly retired to plum jobs in industry in just the past five years—that many brokers assume the ministry knows just about everything that goes on.

This movement of a steady stream of officials from the MOF's Securities Bureau to jobs at the brokerages, known as "amakudari (descent from heaven)," also ensures that the ministry looks after the interests of the industry it is supposed to be policing.

The last four presidents of the Tokyo Stock Exchange (TSE)—Teiichiro Morinaga, Hiroshi Tanimura, Michio Takeuchi, and the current Minoru Nagaoka—have all been former vice finance ministers, said Masashi Nagata, a TSE spokesman.

"Subsequent TSE presidents will probably also come from the ministry," he said.

The ministry's initial reluctance to penalize Nikko Securities Co. and Nomura for their compensation is seen as typical of the ministry's soft stance toward the industry.

But the ministry is expected to step up pressure—at least slightly—on the securities industry in an attempt to defuse criticism at home and abroad.

In the past few days, the ministry has reportedly decided to order the big four to exercise "voluntary" restraint in the way they do business.

It is also likely to ban discretionary accounts, probably next week.

But the ministry will not disclose the names of the companies compensated by the big four, Yukinori Nakahira, head of the Securities Bureau, said, because "the names were provided voluntarily" under a ministry directive.

Kathy Matsui, a strategist at Barclays de Zoete Wedd Ltd., said she expects to see some regulatory changes after the recent scandal.

And Ed Brogan, research director at Marusan Securities, predicted foreign pressure will help clean up the market.

"Nothing really happens" until pressure is exerted from outside, he said.

Ministry Plans Added Inspectors

OW0607121991 Tokyo KYODO in English 0949 GMT 6 Jul 91

[Text] Tokyo, July 6 KYODO—The Ministry of Finance (MOF) is planning to increase the number of inspectors at its securities bureau in an attempt to prevent further brokerage scandals, ministry sources said Saturday.

The sources did not say how many inspectors will be added but said the extra staffers are intended to reinforce the bureau's periodic inspections.

The ministry hopes the action will head off calls for the creation of a tough securities watchdog body similar to the Securities and Exchange Commission (SEC) in the United States.

The personnel increase will be included in the ministry's budget request for fiscal 1992, which begins next April.

There are now 38 inspectors in the Securities Bureau Inspection Department at present, out of a total of 201 in various bureaus of the ministry.

Their job is to periodically check to see that brokers are not providing profits unfairly to specific clients and that stock transactions are conducted appropriately.

For the inspection of Nomura Securities Co., currently in the throes of the widening brokerage scandal that has engulfed Japan's major brokers, the ministry deployed close to 100 inspectors to examine all the firm's branches.

But the ministry has lengthened the period between inspections for middle-ranking and second-tier brokers from once every two years to once every two-and-a-half years.

"Inspection tends to be shallow, partly because of insufficient staff," said a ranking official at the Securities Bureau.

North Korea

No's U.S. Visit Termed 'Subservient Junket'

SK0607085391 Pyongyang Korean Central Broadcasting Network in Korean 0020 GMT 6 Jul 91

[NODONG SINMUN 6 July commentary: "A Traitor's Nation-Selling, Traitorous Subservient Junket"]

[Text] Traitor No Tae-u has recently made a junket to the United States. Describing No Tae-u's U.S. junket as one contributing to peace and security in the Asia-Pacific region and to peace and reunification on the Korean peninsula, the puppets are making loud publicity on the success of his U.S. visit. The United States is also acting in concert with this.

However, as all of the U.S. junkets by all the South Korean ruling bunches have proven so far, No Tae-u's recent junket was a stooge's begging junket based on his master's directive, a divisive junket aimed at blocking peace and peaceful reunification on the Korean peninsula, and a nation-selling flunkeyist junket aimed at leaving South Korea in the hands of the U.S. imperialists continuously as a U.S. colony and its nuclear forward base.

The remarks made by No Tae-u in the United States prove this. Let us give heed to what he babbled about on the issue of the Korean reunification. No Tae-u babbled during his talks with U.S. President Bush and on several other occasions that he hopes that the changes in the world will bring forth changes on the Korean peninsula and that he hopes that the United States will actively back the reunification under the initiative of South Korea.

As everyone knows, the reunification of Korea is an internal issue of the nation that can only be realized not by any foreign force but by the Korean nation and the subjects of it. It was an act of a lily-livered man for him to have begged the U.S. imperialists—the ringleader causing the division—to intervene in the internal affairs of the nation more actively.

The changes in the world, which No Tae-u babbled about, mean the imperialists' peaceful transition strategy. That No Tae-u requested the United States to assist in the reunification under the initiative of South Korea means that he requested the United States to back by force their policy of merging the North by dissolution of the North into the South which they have been pursuing. By this the puppet traitor openly revealed his criminal scheme to bring foreign forces into the issue of the Korean reunification, block the way to its proper solution, and, further, to realize by all means, with the U.S. imperialists, the reunification by winning over communism and by our dissolution into the South.

No Tae-u's ugly and vicious nature was well revealed in his maneuvers concerning the issue of nuclear inspection as well. Before his U.S. masters, traitor No Tae-u kept silent about some 1,000 U.S. nuclear weapons deployed in South Korea which threaten the existence of the nation, absurdly slandered us, lying, referring to nuclear development, and stressing nuclear inspection only of the North. He, together with his U.S. imperialist master, said that the North should accept international nuclear inspection without any preconditions, staging a farce of reconfirming that this is a separate matter from the issue of withdrawing U.S. troops and nuclear weapons from South Korea.

He even went so far as to make such outbursts that the U.S. forces in South Korea are necessary for peace and security on the Korean peninsula and that the United States should play a leading role in the Asia-Pacific region. It is a brigandish logic that we, who do not have nuclear weapons, should be subjected to nuclear inspection and that the U.S. nuclear weapons deployed in South Korea are not the object of nuclear inspection. Remarks such as this can only be made by an ugly and vicious colonial stooge like No Tae-u who has enthusiastically thrown himself into the implementation of the U.S. imperialists' policy of aggression and nuclear war without regard to the fate of the country and the nation and irrespective of whether the nation will be subjected to a nuclear holocaust.

On the pretext of the nuclear inspection issue, the puppets are running amok to justify the policy of occupation of South Korea by U.S. troops and of making South Korea a nuclear base and to spoil our sincere peace-loving efforts and lofty external authority. Their anti-Republic smear tactics cannot convince anyone.

No Tae-u pledged the U.S. masters his effort to further reduce the South Korean economy into U.S. subordination. We should not overlook this.

While flattering his masters, he promised to accept all of the brigandish U.S. demands for the opening of markets including import of agricultural products.

Without paying any attention to the people's pains and misfortune caused by economic bankruptcy, the traitor No Tae-u is attempting to hold the position of colonial stooge forever in return for guaranteeing economic benefits for the U.S. masters. He is indeed a vicious national traitor who should not be allowed to live within the nation.

During his U.S. junket, No Tae-u raved that the United States is South Korea's closest friend and partner, and frantically attempted to conceal the pitiful situation of a colonial stooge and to increase his popularity.

However, he was unable to conceal the master-servant relations between the United States, which gives an order, and South Korea, which receives an order. He gratefully stated that the United States invited the South Korean president as a state guest for the first time in a number of years. His remarks simply revealed that the successive South Korean ruling bunches were U.S. colonial stooges.

The junket of No Tae-u, who was invited by the United States as a so-called state guest, was merely an act of disgraceful begging diplomacy and a subservient junket.

All facts show that No Tae-u's current U.S. junket is an antinational and antireunification nation-selling junket aimed at continually leaving South Korea as a U.S. imperialist nuclear military base by challenging the people's aspiration for reunification, at laying greater obstacles in the path for independent and peaceful reunification and at realizing the ambition for reunification through absorption and through victory over Communists by borrowing strength of outside forces.

Calling in No Tae-u, U.S. leaders conspired with him on continually maintaining U.S. troops and nuclear weapons in South Korea, on more broadly opening the South Korean markets, and on additional increase of expenses for maintaining the aggressor forces. Thus, they showed the true nature of the United States as aggressors and plunderers with whom the Korean people cannot live under the same sky.

During his U.S. junket, No Tae-u has been the target of cursing and denunciation by the Korean residents in the United States and Americans in many places. In addition, more than 50 U.S. Congressmen sent a letter to Bush protesting his calling in the stooge. This is no accident.

All fellow countrymen, who aspire to peace and peaceful reunification of the nation, absolutely will not tolerate the No Tae-u group which regards fellow countrymen as its enemy and is maintaining its filthy life by depending on outside forces.

The traitor No Tae-u must apologize to the entire nation for all the crimes he has committed to date including treacherous acts he perpetrated during his U.S. junket. He should abandon the anachronistic fantasy of reunification through absorption and step down from power.

U.S. Nuclear Inspection Call Said Unreasonable

*SK0807105291 Pyongyang KCNA in English
1025 GMT 8 Jul 91*

["Unreasonable Pressure Can Bring Nothing Good"—KCNA headline]

[Text] Pyongyang July 8 (KCNA)—The persistent efforts of the United States and Japan to adopt a document for collective pressure again on the DPRK over the "nuclear inspection" problem at the "summit of advanced nations" cannot be viewed as a position to solve the problem. This will, on the contrary, make the situation more complicated, declares a signed commentary of NODONG SINMUN today.

It says:

The United States is engaged in busy lobbying to include a "resolution urging the DPRK to unconditionally accept nuclear inspection" in the political declaration of the "summit of the advanced nations" slated for July 15-17 in London and Japan is playing the role of a zealous conspirator.

Claiming that strong international pressure on North Korea is needed as it does not yet accept "nuclear inspection" although it expressed the position of agreeing to the content of the standard document of the Nuclear Safeguards Accord at the June council meeting of the International Atomic Energy Agency (IAEA), they announced that they were making some "coordination" so that the members of the "summit of advanced nations" may jointly demand that a resolution urging the acceptance of nuclear inspection be included in the political declaration.

This is a tricky attempt to build up world opinion distorting and slandering our fair position toward the nuclear inspection through the "summit of advanced nations" and force the DPRK to accept unilateral "nuclear inspection" at any cost through a strong international pressure.

It is obvious that the United States and Japan, having failed to get a "joint declaration" adopted at the June council meeting of the IAEA for pressuring the DPRK over the signing of the Nuclear Safeguards Accord, are now trying to use the "summit of advanced nations" for this purpose. This persistent attempt should be viewed as a move to intensify the reactionary offensive against the DPRK in the international arena over the issue of the Nuclear Safeguards Accord.

We have all along made sincere efforts with an honest attitude to solve this issue, agreed to the standard document of the safeguards accord of the IAEA at the June council meeting and intend to dispatch a delegation of DPRK experts for the readjustment of phrases, negotiate with the IAEA and reach a final agreement in July. The final agreement would be submitted to the September council meeting for deliberation and, when it is endorsed, we would sign the accord through appropriate procedures. Thus, our position is clear and just.

It is well known a fact that we are willing to sign the Nuclear Safeguards Accord with the relevant international organisation and have actually promoted this work and do not oppose nuclear inspection.

The problem is the U.S. nuclear weapons present in South Korea, the source of nuclear threat on the Korean peninsula, and the nuclear war moves of the U.S. imperialists against the Korean people.

If the nuclear threat is to be removed from the Korean peninsula, it is absolutely necessary for the United States to fulfil its obligation under the non-proliferation treaty.

The United States must withdraw its nuclear weapons from South Korea and promise not to use nuclear weapons. This accords with the principle of impartiality demanded by the international treaty.

We want to find a reasonable solution to this problem through negotiation between the DPRK and the United States.

It is known that negotiation is under way between authoritative circles of the two countries over this problem.

If a "resolution" for international pressure on the DPRK over the "nuclear inspection" is included in the final declaration at the "summit of advanced nations" in compliance with the demand of the United States and Japan, we cannot but reconsider our progressive measure concerning the Nuclear Safeguards Accord.

The United States must discard its unreasonable position regarding the nuclear inspection.

Lawyers Association Statement on Nuclear Issue

*SK0407043991 Pyongyang KCNA in English
0418 GMT 4 Jul 91*

[Text] Pyongyang July 4 (KCNA)—If nuclear inspection is to be made, it should not be made only of us who have no nuclear weapons, but the U.S. nuclear bases in South Korea be opened to the public and international inspection of them be made simultaneously under the condition that more than 1,000 pieces of nuclear weapons have been deployed in South Korea, actually posing nuclear danger on the Korean peninsula, says Choe Chang-hon, chairman of the Korean Democratic Lawyers' Association, in a statement issued to the press July 3 in referrence to the justness of our stand clarified in the joint statement of the political parties and public organizations of the Democratic People's Republic of Korea.

Under the present situation that the U.S. nuclear threat against us is growing graver day by day, it is a basic requirement for the removal of the danger of a nuclear war to get the U.S. nuclear weapons withdrawn from South Korea and make the Korean peninsula a nuclear-free zone, he said, adding:

The deployment of more than 1,000 nuclear weapons in South Korea by the United States is to dominate the whole of Korea and Asia and threaten and control any country of Asia with nuclear weapons in case what happens in this region goes against the U.S. "interests" and "grain".

It is unreasonable that the United States, having deployed huge amounts of nuclear weapons in South Korea, has raised the question of unilateral "nuclear inspection" of us, while frequently staging nuclear war exercises against our Republic.

Chairman Choe Chang-hon demanded the United States to break off its habit of forcing its will upon others from the stand of strength.

Coach of Soccer Team Denies Drugging Report

SK0407023891 Pyongyang KCNA in English 2212 GMT 3 Jul 91

[Text] Pyongyang July 3 (KCNA)—An Se-ok, chief coach of the Korea soccer team which participated recently in the sixth world youth football championships in Portugal, answered the question of a KCNA reporter regarding a false report of Japanese MAINICHI SHIMBUN that doping was suggested before the game with Brazil.

He said:

Japanese MAINICHI SHIMBUN on June 30, quoting words of a sports official of the South side who returned through Panmunjom, carried a false report that I proposed the use of the banned drug before the quarterfinals with Brazil.

I am disappointed and angry at this false report based on fabrication.

No fabrication can convince anyone as there are many players and officials of our side who witnessed what was happening before the game with Brazil.

How could it be interpreted as a proposal for "doping" that Doctor Sin Che-u of our side and Doctor Kim Chang-yol of the South side who were both responsible for the footballers' health showed concern and took care of their health all the while and I myself, as a chief coach, paid attention to their conditions?

Upon arrival in Lisbon we notified the medical section of the organizing committee that we neither used nor were carrying drug.

The South side's team was also well aware of this. It is quite unbelievable that a MAINICHI SHIMBUN reporter received an evidence material from a certain member of it.

Now our 70 million fellow countrymen and the sportsmen of the whole world deem it a pride of the Korean nation that the North and the South participated in the 6th world youth soccer championships as a unified team following the 41st world table tennis championships and scored good results, and they hope this will lead to national reunification.

We can neither connive at nor pardon such insidious act of slinging mud at the Korea team through a false report based on fabrication.

I strongly demand that those who try to find fault with the success of our Korea team stop such despicable intrigues and apologize for their plotting.

Disbanding of Security Planning Board Urged

SK0307054991 Pyongyang KCNA in English 0513 GMT 3 Jul 91

[Text] Pyongyang July 3 (KCNA)—The No Tae-u ruling group recently sent gangsters of the notorious "Security Planning Board" to raid the office of the Coalition for National Democratic Movement (Chonminnyon) and confiscate the working plan for the pan-national rally, materials on the regular meetings of the national reunification committee of the movement and documents from the overseas headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon).

Commenting on this, NODONG SINMUN today says this malicious surprise search is one more arbitrariness that can be committed only in such fascist society as South Korean society which has turned into a graveyard of democracy and civil rights.

The news analyst says:

This raid on the Chonminnyon office and confiscation of documents is a base anti-reunification act of the splittist to throw a wet blanket over the sentiments of reunification growing on the threshold of the historical pan-national rally and foil this rally.

This is a criminal act deserving curses and denunciation.

And this shows how desperately the South Korean authorities are trying to destroy Chonminnyon which is fighting for the reunification of the country.

The latest outrage is another outspoken manifestation of the nation-splittist acts of the No Tae-u ruling group. It will only lead to the aggravation of the North-South relations.

The South Korean authorities must stop wielding the sword at the pro-reunification patriotic forces and disband without delay the "Security Planning Board," a hideous tool of fascist repression, which commits all manner of arbitrariness, lording it over on the people.

North-South Statement Anniversary Commemorated

SK0507142791 Pyongyang Korean Central Broadcasting Network in Korean 0007 GMT 4 Jul 91

[NODONG SINMUN 4 July editorial: "Let Us Reunify the Fatherland by Implementing Three Principles"]

[Text] Today is the 19th anniversary of the publication of the historic North-South 4 July joint statement.

Marking this day, our people are firmly resolved to expedite the historic cause of national reunification by implementing the lofty ideals and principles of the 4 July joint statement, contemplating the great significance of this statement.

The publication of the 4 July joint statement was a brilliant fruition of the outstanding line and policy for the independent and peaceful reunification of the nation advanced by the great leader Comrade Kim Il-song who is wisely leading our people's struggle for national reunification.

Based on his deep insight into the demand of development of the situation at home and abroad, which was rapidly changing while entering the 1970's, the great leader Comrade Kim Il-song put forward the policy for broad North-South negotiations and thus opened the way for North-South contact. He expounded the three principles of independence, peaceful reunification, and great national unity—the basic program for national reunification.

As the result, high-level talks were realized between the North and the South and the historic 4 July joint statement containing the three principles for national reunification was made public.

With the publication of the North-South joint statement, the three principles for national reunification put forward by the great leader Comrade Kim Il-song became a common national reunification program and a historic milestone for resolving the reunification question. Thus, our people came to have a powerful weapon to achieve the national reunification by smashing the maneuvers of domestic and foreign splittists for perpetuating division.

The great leader Comrade Kim Il-song has taught: The three principles for national reunification are a most just reunification program which is in conformity with the independent demand and basic interests of the Korean people and corresponds to the trend of the time and aspirations of the world's people.

The three principles for national reunification serve as a starting point and basis for resolving the question of the nation's reunification in the interest and will of the people.

During the period from publication of the 4 July joint statement up to date, our party and the Government of the Republic consistently made sincere efforts to achieve the ideals and principles of the joint statement by treasuring them.

The people from all walks of life and patriotic figures in South Korea, who aspire to national reunification, persistently waged the struggle to reunify the nation according to the three principles for national reunification. On this road, they shed a great deal of blood and even dedicated their lives.

However, all of their patriotic passion and efforts failed to attain deserved fruition due to the maneuvers of the U.S. imperialists and the South Korean authorities who are pursuing division.

As soon as the South Korean authorities turned around after signing the joint statement, they declared the two Koreas as their policy and betrayed this pledge. Moreover, they built concrete barriers along the Military Demarcation Line according to their separatist policy, thus dashing along the path of permanent division.

Today the No Tae-u group's maneuvers for national division far surpass that of successive rulers in terms of atrocity and craftiness.

Running counter to the principle of independence, the No Tae-u group begged the U.S. imperialists' permanent occupation and nuclear protection and offered increased payments for maintaining the U.S. troops. They perpetrated a nation-selling treachery by dragging outside forces into the domestic affairs of the nation.

Running counter to the principle of peaceful reunification, the No Tae-u group is staging a large-scale nuclear war exercise against fellow countrymen together with foreign troops while running amok with arms expansion and troop reinforcement.

By violently infringing upon the principle of great national unity, the No Tae-u group is frantically running amok with anticommunist and anti-North maneuvers and instigating antagonism and confrontation between fellow countrymen. It is oppressing the patriotic democratic forces, who are pursuing anti-U.S. independence and reunification, by labeling them as leftist procommunist forces. Thus, they kicked off a wholesale roundup.

The military fascist clique imposed a heavy penalty on Pastor Mun Ik-hwan, adviser of the National Democratic Alliance who visited Pyongyang with the South Korean people's aspiration to reunification and returned after having done beneficial works for reunification, and his entourage, and upon student Yim Su-kyong, representative of the National Council of University Student Representatives, on charges of violation of the National Security Law. Furthermore, the military fascist clique imprisoned even the figures who met us overseas and discussed the reunification issue.

The military fascist clique regards as a crime the activities that call for contact and dialogue with us and introduce the chuche idea and the realities of the northern half of the Republic.

All facts show that the South Korean ruling bunch is a group of antinational and antireunification fascist elements and separatists who are pursuing nation-selling flunkeyism, fascism, confrontation, and division.

No one is entitled to violate the three principles for national reunification which were declared at home and abroad as a common national reunification program. At a time when the ideal of independence and peace has won victory and detente has become the trend of the time throughout the world, the three principles of independence, peaceful reunification, and great national unity are inspiring the reunification movement of all fellow countrymen with greater realistic significance.

For our people, the 1990's are the era of reunification. For us to achieve the historic cause of national reunification in the hopeful 1990's, we should thoroughly adhere to and implement the three principles of national reunification.

Our party and the Government of the Republic have already put forward reasonable and realistic reunification proposals which embodied the three principles of national reunification. The plan for establishment of the democratic confederal republic of Koryo [DCRK] advanced by us is a most just and fair reunification method which enables one to resolve the nation's reunification issue based on one country and one state and two systems and two governments and based on the principle of not conquering the other nor being conquered by the other under the condition in which the different ideologies and different systems exist in the North and the South.

Reunifying the nation in a confederal manner based on one country and one state and two systems and two governments is a great principle for national reunification which corresponds to the practical situation in our country.

The path for realizing national reunification peacefully and most promptly by ending the nation's division and by realizing reconciliation and unity between the North and the South as the same people lies only in accomplishing this great principle.

If the South Korean authorities want national reunification, they cannot have any reason for opposing this just and fair reunification plan.

Fascinated recently by some other country's method of reunification through absorption, the South Korean authorities are foolishly dreaming of such a method in an attempt to realize this by borrowing others' strength while waging begging diplomacy.

However, this is a foolish fantasy by those who are engrossed with dazzle. History will prove that the reunification through victory over communists cannot be achieved in our country ever.

The South Korean authorities should accept our just and fair reunification method based on the confederal system, instead of being engrossed with the fantasy of reunification through victory over communists and reunification through absorption, which can never be realized.

If the historic cause of reunifying the fatherland is to be achieved, peace must be guaranteed on the Korean peninsula, and preconditions for peace must be provided for the reunification of the fatherland. Out of an earnest desire to guarantee peace on the Korean peninsula and open ways toward peaceful reunification, we have advanced the comprehensive peace proposal that the North and South adopt a nonaggression declaration, that the DPRK and the United States sign a peace agreement, that the North and South reduce their armed forces on a large scale, and that the U.S. troops and nuclear weapons be gradually withdrawn from South Korea. Also, last year, we advanced the important proposal to arrange North-South high-level talks, solve the nonaggression problem, and practically bring an end to military confrontation.

However, the United States and the South Korean authorities have not made any affirmative response to these sincere efforts of ours but responded with maneuvers for large-scale military buildup and war exercises. If they are interested in peace in the country and its peaceful reunification, the South Korean authorities, instead of inventing such groundless excuses as the notion that priority must be given to facilitating exchanges or promoting trust, must unhesitatingly accept our nonaggression declaration and our fair and just arms reduction proposal, which can practically guarantee the easing of tension and peace, and suspend the Team Spirit joint military exercise against us.

Also, the United States, which is directly responsible for the issue concerning peace on the Korean peninsula, must correctly see our sincere efforts for peace and the Korean people's unanimous earnest desire to reunify the fatherland; abandon its dangerous war policy, which it has carried out from the position of strength; sign a peace agreement with us at the earliest possible date; and withdraw its troops and nuclear weapons from South Korea without any delay.

Only if an end is brought to North-South military confrontation and if the U.S. troops and nuclear weapons are withdrawn from South Korea will a stable peace be guaranteed and a decisively favorable phase for peacefully reunifying the fatherland be opened.

An important question in hastening the fatherland's reunification at present is to decide on how to reunify the fatherland. We again strongly demand that, to reach a pannational agreement on how to reunify the fatherland, the representatives of authorities and parties and organizations of the North and South get together and hold a political consultative conference for national reunification to decide on how to reunify the fatherland. The fatherland's reunification is our nation's cause for independence and pannational cause which no one else can achieve on our behalf. All the parties and organizations and people from all walks of life in the North and South and abroad that truly want the fatherland's reunification must be strongly united under the national ideas of peace, reunification, and patriotism; seek common positions and actions; promote solidarity and alliance; and vigorously conduct the popular movement for peace and reunification.

Today, under the pretext of a single dialogue channel, the South Korean authorities reject requests by people from all walks of life to hold dialogue to discuss reunification. This is an intolerable undemocratic, antirevolutionary crime. The South Korean authorities must correctly see the trend of the times; abandon their narrow-minded, self-righteous attitude of blocking people from participating in dialogue; abolish the National Security Law, a vicious antireunification, fascist law; release Pastor Mun Ik-hwan, Yu Won-ho, student Yim Su-kyong, Father Mun Kyu-hyon, and other visitors to the North and Im Chong-sok, Song Kap-sok, Chon Mun-hwan, and all the other political prisoners without any delay; and guarantee all the South Korean people the right to freely contact and hold dialogue with the North.

To bring an end to division in Korea and achieve its reunification is the nation's most important task and the demand of the era. Our people's will to achieve the cause of independently, peacefully reunifying the country by implementing the three principles on the fatherland's reunification is firm and resolute.

Hand in hand with the South Korean people, we will crush the every maneuver by divisionists at home and abroad and complete the historic cause of reunifying the fatherland without fail.

South's Mobilization of Riot Policemen Cited

SK0407043491 Pyongyang KCNA in English 0408 GMT 4 Jul 91

[Text] Pyonyang July 4 (KCNA)—The No Tae-u ruling group reportedly announced that it would mobilize the white bone group [plainclothes riot policemen] in "crime prevention activities" from July 1 and switch the course of its action from "peace in the situation" to "peace in people's life."

This is a crafty trick to lull the people's demand for the disbandment of the white bone group and an intolerable mockery of the people filled with wrath at the white bone group.

The target of the "crime prevention activities" launched by the South Korean authorities under the flowery pretext of "peace in people's life" is not the criminals who do harm to people's life but the patriotic democratic forces advocating independence, democracy and reunification.

This is proved by the fact that the patriotic democratic forces were the major target of the frantic roundup campaign carried out in the autumn of last year after "war against crime" was declared.

The No Tae-u ruling group must give up the foolish attempt to cheat the South Korean people and immediately disband the white bone group which murdered Kang Kyong-tae, Kim Kwi-chong and many other students and people.

South 'Religionists Deeply Revere' Kim Il-song

SK0407041891 Pyongyang KCNA in English 0358 GMT 4 Jul 91

["President Kim Il-song Is Great Man Produced by Heaven"—KCNA headline]

[Text] Pyongyang July 4 (KCNA)—South Korean religionists deeply revere the great leader President Kim Il-song.

A Catholic priest in Seoul told believers: In the South, religionists are extremely prohibited from participating in politics and even their desire for reunification and conscientious activities become a target of suppression, but in the North, all religionists freely participate in state politics and make activities. This is because President Kim Il-song encourages the freedom of religionists and leads them along the road of patriotism.

Another priest had this to say: President Kim Il-song is a great man who always regards the interests of the nation as most valuable and subordinates everything to them. He joins hands with and leads all people who love the country and work for the nation, irrespective of the differences in religious belief and ideology. He is, indeed, a great man with noble virtues produced by heaven. If we religionists are to get rid of today's humiliation and live a free life, we must enjoy the good administration of President Kim Il-song.

Moved by his story, the believers expressed their deep reverence for him, saying "President Kim Il-song is a distinguished leader" and vowed to undauntedly work to bring the day when they would live a free life, holding him in high esteem and believing in God of Korea.

Student Delegation Arrives in Panmunjom 7 Jul

SK0707013491 Pyongyang Korean Central Broadcasting Network in Korean 0057 GMT 7 Jul 91

[Text] This is a report from Panmunjom by Choe Chin-kun, special correspondent of the Central Broadcasting Network.

Amid the great expectation and interest of the youths of the entire country and of the 70 million fellow countrymen, our side's student delegation led by Yi Kum-chol, member of the Korean Students Committee, arrived at our side's area of Panmunjom at 0900 this morning to participate in the student talks of the North, South, and overseas for the grand 15 August reunification festival of students from the North, South, and overseas.

Many reporters are here in Panmunjom to cover the student talks.

Fails To Meet South Students

SK0707090991 Pyongyang KCNA in English 0846 GMT 7 Jul 91

[Text] Panmunjom July 7 (KCNA)—The North side's delegation of students and its entourage arrived at the place of talks here this morning to participate in the July 7 talks between students of the North and the South of Korea and overseas to arrange for an August 15 grand reunification festival of students in the North, the South and overseas. The talks, however, could not be held as the members of the South side's delegation of students failed to come out.

Although the secretary of the North side to the Military Armistice Commission had already notified the secretary of the opposite side that the student talks would be arranged at the conference room of the Neutral Nations Supervisory Commission in Panmunjom on July 7, the U.S. side which manages the conference room did not make necessary arrangements.

And the liaison delegate of the North side at Panmunjom to the North-South Red Cross talks requested his counterpart of the South side before the time of the talks to tell whether student delegates of the South side to the July 7 student talks arrived in the Southern portion of Panmunjom. They, however, evaded a reply, saying they had no idea of such talks and they should inquire it of their superiors.

Although the delegates of the North side waited for an emotion-packed meeting with fellow students of the National Council of Student Representatives (Chondaehyop) of South Korea, they could not see them.

Yi Kum-chol, head of the North side's delegation, wondered with an anxious look what has happened to Chondaehyop's delegates, and delegate Pak Um-sok feared that a repressive campaign might be launched to dampen the burning desire for reunification in South Korea, saying they have waited on tiptoe for a meeting with fellow students of Chondaehyop and made much preparations for it.

The delegates of the north side waited outside of the place of talks till 11:00, but delegates of Chondaehyop did not appear, with the gateway of the South side closed tight.

Then a press conference took place.

Head of the North side's delegation Yi Kum-chol charged that the South Korean authorities, who did such an uncourteous act of refusing even to take over the letter of the chairman of the Korean Student Committee addressed to the South Korean "education minister" on July 1, blocked the way to Panmunjom of fellow students of Chondaehyop who were due to come to discuss the question of reunification, an important affair of the nation. He issued a statement clarifying the stand of the Korean Student Committee toward the July 7 student talks.

Looking toward the South from the stairs of Panmun Pavilion, the members of the North side's delegation shouted "Fellow students of Chondaehyop, let us make the August 15 grand reunification festival a success without fail!," "Let us meet on the road of reunification at any cost!" and "Let us reunify the country by bringing together the will of the fellow students in the North and the South!"

'Vehemently' Denounces No Tae-u

SK0707085491 Pyongyang KCNA in English
0833 GMT 7 Jul 91

[Text] Panmunjom July 7 (KCNA)—The North side's delegation of students vehemently denounces in the name of the whole nation the No Tae-u ruling group's anti-reunification, anti-national criminal act in blocking the July 7 talks between students of the North and South of Korea and overseas at the point of the bayonet branding it as a most despicable, indelible criminal act.

The North side's delegation to the July 7 student talks said this in a statement issued at a press conference it called here today in connection with the fact that the talks could not be held with delegates of the National Council of Student Representatives (Chondaehyop) of South Korea failing to come out to Panmunjom because of the South Korean authorities' fascist suppression.

Noting that the No Tae-u ruling group has tried by hook or by crook to block the inter-Korean student contact since the July 7 student talks and the August 15 grand reunification festival of students in the North, the South and overseas which were initiated by Chondaehyop were put on the order of the day, the statement said:

Chondaehyop's activities for a successful holding of the August 15 grand reunification festival of students working-level talks over it are sacred activities for national unity amd reunification; they are righteous and praiseworthy activities which should be supported and encouraged by the whole nation.

This notwithstanding, the No Tae-u puppet clique blocked the student talks this time, thereby once again stripping itself naked before the world as the most heinous national separatist group of the age, a group of truculent fascist dictators without an equal in the world and a criminal group which stands in the way of reunification.

We are never pessimistic although a so hoped-for meeting with students of the South was foiled due to the suppression and obstructive moves of the No Tae-u ruling group.

Our victory is certain as the whole nation wants reunification in the '90s and encourages the struggle of our students.

Sharing the same patriotic zeal and indomitable will of the fellow students of Chondaehyop to make the August 15 grand reunification festival of students in the North, the South and overseas a success at any cost and open a new epoch of national reunification, we approve of and support Chondaehyop's proposal for a meeting abroad in case the July 7 contact at Panmunjom should fail.

The statement expresses the firm belief that the students in South Korea and overseas will more staunchly rush along the glorious, patriotic road of reunification to make the August 15 grand reunification festival a success without fail.

Cuban Assembly Urges U.S. Withdraw From South

SK0407104091 Pyongyang KCNA in English
1005 GMT 4 Jul 91

[Text] Pyongyang July 4 (KCNA)—The National Assembly of People's Power of Cuba issued a statement on June 24 in support of the joint statement of the DPRK political parties and public organisations.

The statement demanded that the U.S. troops and nuclear weapons in South Korea threatening peace and security on the Asian Continent as well as the existence of the Korean people be withdrawn.

The just cause of the DPRK Government and the Korean people for preserving peace in the country must be accomplished, the statement noted, and stressed: The National Assembly of People's Power of Cuba will actively support as ever the Korean people's struggle which is conducive to the cause of security and peace of mankind.

U.S., South Military Exercises on 2 Jul Noted

SK0407060791 Pyongyang KCNA in English
0504 GMT 4 Jul 91

[Text] Pyongyang July 4 (KCNA)—The U.S. Pacific Airforce command and Navy command on July 2 brought formations of fighter-bombers and assault planes based in the Japanese mainland and the Pacific region to South Korea for a provocative air and ground joint strike exercise with the Korean peninsula as an operational theatre, according to military sources.

In another development, the South Korean puppets Tuesday fired at random some 120 shells of 105 mm guns from Chukhyon-ri and Chongja-ri of Paju County, Kajon-ri of Ninje County and Kwanu-ri of Cholwon County, South Korean Kangwon Province, toward areas near the Military Demarcation Line [MDL], threatening us.

That day, groups of tanks deployed in Kumpa-ri of Paju County fired 15 shells while moving toward the MDL and armed bandits who swarmed into Chupa-ri of Cholwon County, South Korean Kangwon Province, on July 1 fired more than 200 bullets of machine guns and automatic weapons.

On July 2, five officers mounted Hill 227.2 southeast of Chungsa-ri of Yonchon County adjacent to the MDL aboard a helicopter unfolded a map and held an operational confab under our very eyes.

On the same day, formations of helicopters held a war exercise aimed at infiltration into the depths of our side in the skies above Mt. Yawol northeast of Majon-ri of Yonchon County and above Chongja-ri of Paju county, getting on our nerves.

The warplanes of the U.S. imperialists and the South Korean puppets mobilized in various war exercises in the sky above South Korea on July 2 alone totalled more than 520.

The unceasing reckless military provocative acts by the U.S. imperialists and the South Korean puppets prove how desperately they are trying to realize their wild ambition for northward invasion.

Anniversary of Treaty With USSR Marked

Kim Il-song Greets Gorbachev

SK0607012191 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 5 Jul 91

[Text] The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the DPRK, has sent a message of greetings to Comrade Mikhail Sergeyevich Gorbachev, president of the USSR and general secretary of the CPSU Central Committee, on the 30th anniversary of the signing of the DPRK-USSR Treaty on Friendship, Cooperation, and Mutual Assistance.

The message reads: Moscow, Comrade Mikhail Sergeyevich Gorbachev, president of the USSR and general secretary of the CPSU Central Committee:

On the occasion of the 30th anniversary of the signing of the DPRK-USSR Treaty on Friendship, Cooperation, and Mutual Assistance, I send you and the people of the Soviet Union my hearty congratulations.

The Treaty on Friendship, Cooperation, and Mutual Assistance between Korea and the Soviet Union was signed reflecting the aspiration of the Korean people and the Soviet people to solidify and develop the traditional relations of friendship and cooperation between the two countries in the joint struggle for peace and socialism. This treaty has contributed greatly over the past period to building socialism in the two countries and to defending peace in Asia and the world.

The DPRK-USSR Treaty on Friendship, Cooperation, and Mutual Assistance will continue to be appreciated [pyongkka toelkosimnida] in the future, as well, in the two countries' relations.

Availing myself of this opportunity, I wish you and the people of the Soviet Union success in the work to achieve stability and prosperity for the country and to preserve world peace.

Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK
5 July 1991, Pyongyang.

Gorbachev Greets Kim Il-song

SK0607012791 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 5 Jul 91

[Text] The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the DPRK, has received a message of greetings from Comrade Mikhail Sergeyevich Gorbachev, president of the USSR and general secretary of the CPSU Central Committee, on the 30th anniversary of the signing of the USSR-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance.

The message reads: Pyongyang, Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK:

I congratulate you on the occasion of the signing of the 30th anniversary of the USSR-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance, which conforms to the two countries' fundamental interests and contributes to the cause of peace and security on the Korean peninsula and in the Asia-Pacific region.

The Soviet Union maintains that USSR-DPRK cooperation should be further developed on the principle of complete equality and mutual benefit.

I wish you and all the workers of the Republic happiness and peace and a peaceful reunification of Korea.

Mikhail Gorbachev, 5 July 1991
The Kremlin, Moscow.

Chon Mun-sop, Soviet Envoy Speak

SK0607052491 Pyongyang KCNA in English 0459 GMT 6 Jul 91

[Text] Pyongyang July 6 (KCNA)—The Ministry of People's Armed Forces arranged a banquet at the Okryu Restaurant on July 5 on the occasion of the 30th anniversary of the signing of the Korean-Soviet Treaty of Friendship, Cooperation and Mutual Assistance.

Present on invitation were Soviet Ambassador to Korea Aleksandr Kapto, officials of the Soviet Embassy and Soviet guests staying in Korea.

Present were Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief of general staff of the Korean People's Army [KPA], General Chon Mun-sop, Colonel Generals Cho Myong-nok and Chon Chae-son, Lieutenant General O Kyong-hun and generals and officers of the KPA.

Speaking at the banquet, General Chon Mun-sop said that the DPRK and the Soviet Union signed the Korean-Soviet Treaty of Friendship, Cooperation and Mutual Assistance 30 years ago out of the unanimous desire to check and frustrate the aggression and war moves of the U.S. imperialists and their stooges and defend peace in Asia and the rest of the world. With the signing of the treaty, the friendly and cooperative relations between the peoples and Armies of the two countries were firmly fixed by law and have been strengthened and developed further as relations between allies, he added.

Pointing out that the peoples of the DPRK and the Soviet Union have covered a rigorous yet brilliant road of struggle for a long period against imperialism and for the victory of the cause of socialism and communism, he said in this course the Armies of the two countries have forged unbreakable blood ties and become class brothers and comrades-in-arms.

He wished the Soviet people and Armed Forces success in the work to achieve the social, political and economic stability and defend global peace.

Speaking next, Soviet Ambassador Aleksandr Kapto said:

The relations between the two countries have been strengthened since the treaty was signed 30 years ago.

The Soviet Union believes that its future with the Democratic People's Republic of Korea is on the road of equal dialogue, reciprocity and cooperation and plans to broaden and develop good-neighborhood between the two countries.

The Soviet Union highly estimates and supports a large number of initiatives taken by the DPRK to avert the arms race on the Korean peninsula and get the nuclear weapons and outside military strength withdrawn from South Korea.

We are convinced that the good traditions of cooperation between us will continue to be handed down in the future thanks to the treaty signed in 1961, he said, and wished the Korean working people and People's Army soldiers fresh success in the struggle for socialist construction and for a peaceful and democratic reunification of their country.

Progress in Tideland Reclamation Described

SK0507154491 Pyongyang KCNA in English
1513 GMT 5 Jul 91

[Text] Pyongyang July 5 (KCNA)—The reclamation of tideland is being extensively undertaken in the Democratic People's Republic of Korea.

The great leader President Kim Il-song has taught: "We must undertake tideland reclamation on a large scale to obtain much more land and pass it on to future generations."

The reclamation of 8,700 hectares of Yongmaedo tideland, 2,300 hectares of Changdo tideland, and Chongsudo and Nunggumdo tideland is under way on the west coast of Korea and the reclamation of Kumya tideland on the east coast.

Setups of 8,800 hectares of Taegyedo tideland and other reclaimed tidelands have been pushed ahead and rice farming is done in some part of them.

Korea which has vast tidelands along the coast line has long paid deep concern to their reclamation.

The great leader President Kim Il-song, attaching weighty significance to tideland reclamation right after the liberation of the country (August 15, 1945), took a step to organize a specialized group in March 1949 so that it might set out investigation into the tideland on the west coast in July that year.

This work continued even in the period of the Fatherland Liberation War (June 25, 1950-July 27, 1953).

On the basis of such work, the tideland reclamation on the west coast has begun in Korea from 1957.

Later, President Kim Il-song gave on-the-spot guidances to reclamation sites of the tideland to indicate its concrete orientation and ways.

The dear leader Comrade Kim Chong-il aroused the whole party, the whole country and the entire people to the reclamation of tidelands.

He saw to it that a large long-distance belt-conveyer would be built to carry earth from the Unryul mine and reclaim thousands of hectares of tideland, energetically leading the reclamation of 10,000, 20,000 and 30,000 hectares of tidelands at once by undertaking the project in a bold and big way.

As a result, 8,800 hectares of Taegyedo tideland were reclaimed in North Pyongan Province in 1984 and 50,000 hectares of tidelands on the west coast on the eve of the 40th anniversary of the founding of the Workers' Party of Korea (October 10, 1985).

100 odd islands on the west coast have been linked with land, the length of the coastal line shortened by 520 kilometres and more than 70 wharves moved.

Hundreds of farms, workteams, sub-workteams have been organised and salt fields, bases of chemical fibre raw material, reservoirs and fish breeding grounds built.

Since then the reclamation of 3,200 hectares of Ungdo tideland was completed in 1986 and 5,200 hectares of Kangryong tideland and 3,200 hectares of Unryul tideland in 1988.

The reclamation of 8,700 hectares of Yongmaedo tideland is now in full swing and the projects for the reclamation of

6,700 hectares of Taedongman tideland and 10,000 hectares of Honggondo tideland out of 33,500 hectares of Kado tideland is in preparation.

Besides, large-scale water-channel projects have been completed or are under construction to water 100,000 hectares of tideland in South Pyongan Province, 110,000 hectares of tideland in North Pyongan Province and reclaimed tidelands of South Hwanghae Province.

Powerful construction forces with means of mechanisation in Korea include the North Pyongan provincial general tideland reclamation company, the South Hwanghae provincial general tideland reclamation company and the Hwanghae general tideland reclamation company.

Korea will reclaim 300,000 hectares of tideland in the near future.

5-6 tons of rice per hectare on an average, over 7 tons to the maximum, are harvested on reclaimed tideland farms.

Aquaculture Stations Increase Production

SK0407022391 Pyongyang KCNA in English
2200 GMT 3 Jul 91

[Text] Pyongyang July 3 (KCNA)—A new success has been made in seaculture by South Hwanghae Province facing the West Sea of Korea.

According to data available as of June 20, the provincial Fisheries Administration carried out its yearly seafood production plan at 105 per cent with an increase of 30,000 tons above last year.

By the end of the year the area of culture farms will expand 20 percent and production of seafood increase 50 percent on last year, said director of the administration O Kyong-sik.

Sea cultivation holds the main proportion in the fisheries of this province.

Such leading seaculture stations of the country as Ongjin, Kumipo and Pupo seacuture stations are located in South Hwanghae Province.

They have created hundreds of hectares of new farms for mussel, oyster, sea cucumber, sea-ear, tangle and laver in recent months. As a result the area of sea farms expanded nearly three times and the production at some stations increased 3.5 times as against 1987.

Successes have also been made in scientific researches into seaculture.

A new technique has been developed to artificially increase the resources of the coastal sedentary fishes. And many scientific and technical problems have been solved, among them the introduction of a mussel cultivation method suitable to the conditions of the West Sea and the application of a new accelerant of growth to tangle seedling cultivation in summer.

Several stations are now producing 400 tons of mussel, 300 tons of oyster and 130 tons of tangle per hectare.

KCNA Review of 6 Jul Pyongyang Press

SK0607053491 Pyongyang KCNA in English
0507 GMT 6 Jul 91

[Press review]

[Text] Pyongyang July 6 (KCNA)—Dailies here today carry messages of greetings exchanged between Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, and Comrade Mikhail Sergeyevich Gorbachev, president of the Union of Soviet Socialist Republics and general secretary of the Central Committee of the Communist Party of the Soviet Union, on the occasion of the 30th anniversary of the signing of the Korean-Soviet Treaty of Friendship, Cooperation and Mutual Assistance.

Seen in the press are messages of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President H. Kamuzu Banda on the 27th anniversary of the independence of Malawi and the 25th anniversary of the proclamation of the Republic and to President Said Mohamed Djohar on the 16th anniversary of the independence of the Comoros. And his message to Yasir 'Arafat, president of the state of Palestine and chairman of the PLO Executive Committee, replying to the latter's solidarity message supporting the DPRK's proposal to found a confederal republic and its decision to enter the United Nations is published in papers.

NODONG SINMUN gives nearly one whole page to an article entitled "The Great Leader and the Rev. Son's Family" which tells about the honor and affection shown by the great leader President Kim Il-song for Mr. Son Won-tae who was a member of the Association of Korean Children in Jilin 60 odd years ago and is now residing in the United States.

Papers deal with the study and dissemination of the work of the dear leader Comrade Kim Chong-il "Our Socialism for the People Will Not Perish" in different countries.

NODONG SINMUN gives an account of a national symposium of party cadre training organs held in Pyongyang to mark the tenth anniversary of the publication of "Some Tasks To Improve the Training of Party Cadres", a work of Comrade Kim Chong-il.

Appearing in the daily is a message of greetings sent by the Central Committee of the Workers' Party of Korea to the 2nd convention of the Socialist Party of Turkey.

The daily reports about the brisk study and dissemination of the chuche idea among South Korean people.

Econews of the press includes reports about innovations in the production of ores, steel and ordered equipment and about the rapid progress of the construction of the Namgang power station.

Young soldier frontrankers in the Hero Squad Movement of the Korean People's Army started march toward the Mt. Paektu secret camp, says the press.

It is reported in the press that functions were held in Korea and the Soviet Union on the occasion of the 30th anniversary of the signing of the Korean-Soviet Treaty of Friendship, Cooperation and Mutual Assistance. In this connection, papers run editorial articles. Also appearing in the press is news of the signing in Pyongyang of a protocol on cooperation in the production of light industry goods between the Korean and Soviet Governments.

Spotlighted in the press are what Korean people and foreigners said in support of the joint statement of the political parties and social organisations of the DPRK as regards the removal of the nuclear danger from the Korean peninsula and reports that the withdrawal of the U.S. troops and nuclear weapons from South Korea is strongly demanded in different countries on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

The press deals with the letter sent to her juniors by woman student Yim Su-kyong, the "flower of reunification" who is serving a prison term after participating in the World Festival of Youth and Students in Pyongyang as the delegate of the National Council of Student Representatives of South Korea; in commentaries, the press denounces No Tae-u's trip to the United States.

According to the press, inaugural ceremonies of the "international solidarity march for supporting Korea's reunification" were held in different countries.

It is reported in NODONG SINMUN that Comrade Fidel Castro in his speech at the 3rd meeting of the Trade Union of Chemical, Mining and Power Workers declared Cuba would defend the gains of socialism and the revolution, the chairman of the Council of Ministers of the Soviet Union referred to the grave economic situation of the country and Daniel Ortega Saavedra, general secretary of the Sandinist National Liberation Front, declared that his front would not give up socialism.

An early normalisation of diplomatic relations between the DPRK and Japan was demanded in various places of Japan, says the daily.

The daily observes the 27th anniversary of the independence of Malawi and the 25th anniversray of the proclamation of the Republic of Malawi and the independence day of the Comoros.

KCNA Review of 8 Jul NODONG SINMUN

SK0807111691 Pyongyang KCNA in English 1036 GMT 8 Jul 91

[Review of NODONG SINMUN]

[Text] Pyongyang July 8 (KCNA)—NODONG SINMUN today carries a photo-accompanied report that the great leader Comrade Kim Il-song met the delegation of the Communist Party of Portugal and entertained it to a luncheon.

Appearing in the daily is a message to President Kim Il-song of the Democratic People's Republic of Korea from Amadou Toumani Toure, president of the provisional committee for the salvation of people and head of state of the Republic of Mali, on the occasion of the month of solidarity with the Korean people.

It deals with the study and dissemination of the dear leader Comrade Kim Chong-il's work "Our Socialism for the People Will Not Perish" in different countries.

Econews of the paper includes reports that an innovation has been effected in iron and steel production and cooperative farms are directing big efforts to the cultivation of crops.

The daily devotes nearly one whole page to an article titled "socialism with vast prospect started and being developed to accomplishment under party's leadership".

It informs the readers that the July-August marine sports month opened.

Printed in the paper is news that the fourth meeting of the fifteenth central committee of the General Association of Korean Residents in Japan was held in Tokyo to discuss the question of launching into a mass innovation movement in keeping with the requirements of the prevailing situation.

The paper gives an account of the failure of the July 7 talks between students of the North and South of Korea and overseas owing to the South Korean authorities' moves. Also seen there is a statement released by the North side's delegation to the talks in this connection.

Indian organizations made public a statement expressing solidarity for the Korean people's struggle on the occasion of the June 25-July 27 month of anti-U.S. joint struggle, says the daily.

Conveyed in the paper is a statement issued to the press by the chairman of the Korean Afro-Asian Solidarity Committee supporting the joint statement of the political parties and public organizations of the DPRK.

A commentary of the daily hits out at the South Korean authorities for zealously supporting those related to the fatal beating of student Kang Kyong-tae at a trial.

Given in the paper is news that 22 organizations in the academic and press circles of South Korea protested against the suppression of the Seoul Institute of Social Science by the authorities.

The paper exposes the corrupt and ailing South Korean society where various professional diseases are caused by pollution.

In a commentary the paper brands the U.S. manoeuvrings to put collective pressure on the DPRK with regard to the problem of "nuclear inspection" at the "summit of developed nations" as a ruse to intensify reactionary offensive against our Republic.

International news columns of the paper include reports that Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, when he met Carloz Rafael Rodriguez, vice-president of the council of state and vice-president of the Council of Ministers of

Cuba, stressed that China will invariably build socialism, and the book "Zhou Enlai, Faithful Servant of the People" was brought out in China.

The paper conveys news from Laos, Singapore, Malaysia, Thailand, Sri Lanka and India successfully building a new society.

The paper comes out with an article titled "positively developing situation in Cambodia".

South Korea

No Tae-u on 'Epochal' Unification Strides Plan

SK0507233891 Seoul YONHAP in English 2316 GMT 5 Jul 91

[Text] Vancouver, Canada, July 5 (YONHAP)—President No Tae-u said Friday that he had a plan that would help South and North Korea make "epochal" strides in their bid to reunite.

Talking with South Korean correspondents over breakfast at the official residence of the Canadian governor-general in Ottawa before leaving for Vancouver, the South Korean leader said, "the pivotal point of my plan is that our unification should not be one that undergoes an unfortunate process. But I cannot disclose the plan now to make sure that our reunification not be the one that undergoes an unfortunate process."

He said he was convinced that the Korean reunification would be realized within this century regardless of whether President Kim Il-song of North Korea died or not.

No denied the possibility of North Korea's renunciation of nuclear weapons development program of being linked to U.S. troop withdrawal from South Korea in settling the issue, saying that the "authorities concerned" did not have such intention.

He stressed that South Korea should take the leading role not alone in the march toward reunfication but also in the move to develop relations between the United States and North Korea.

Meanwhile, No arrived here at noon Friday after winding up the official part of his state visit to Canada in Ottawa. Upon arrival, No had a luncheon meeting with a group of Korean residents here. He will leave for Seoul Saturday afternoon.

No Tae-u Discusses North, U.S., Canada

SK0607024591 Seoul YONHAP in English 0140 GMT 6 Jul 91

[Text] Vancouver, July 5 (YONHAP)—South Korean President No Tae-u said Friday he had been assured of U.S. and Canadian support for Seoul's leading role in Korean reunification during his just-ended state visits to Washington and Ottawa.

Meeting Korean reporters in Ottawa before leaving for Vancouver, where he met with Korean residents, No said his two-day state visits to the United States and Canada had fulfilled their purposes.

"There is no question that we should take the lead in realizing reunification, although the nation was divided by foreign powers. Therefore, it's up to us how to realize reunification. Circumstances will decide whether we will follow the German example or create a formula of our own. It should suit our circumstances," he said.

No made a state visit to Washington on July 1-2, the first Korean president to do so in 25 years. He flew into Ottawa on July 3, also for a two-day visit as a state guest. After a brief stopover in Vancouver, he will leave for home on Saturday [6 July] afternoon.

He said he would not make public his own reunification strategy because the revelation might not be conducive to promoting the atmosphere for reunification.

"Many people, largely due to the disparity in economic power between South and North Korea, say Korean reunification will follow the German example. However, I believe reunification should not be realized through an unfortunate process. This is the reason why I can't tell my idea.

"South and North (Korea) are not yet confident of each other. Improvement of relations is most urgent. Without the improvement of relations, it will do no good for reunification, even if one side talks about its idea to the other side," he said.

No said he would not seek to offer economic support for North Korea to facilitate reunification.

"The important thing is getting their trust. If we offer some help and then publicize it and harm their pride, how can they accept it? Our mass media should think deeply about this...

"North Korea is experiencing tremendous difficulties due to economic failure, diplomatic isolation and power transfer, and all the learned people who know how the world changes have been summoned to North Korea. These people may serve as a catalyst in changing North Korean society from inside. We should closely watch this too. We should not commit the folly of proposing something to North Korea with our own justifiable logic and triggering undesirable effects. I hope our mass media will also take note of this point."

He said reunification of the Korean peninsula should come whether North Korean President Kim Il-song is alive or dead.

The most important purpose of his North American trip, No said, was tuning his ideas with U.S. and Canadian leaders on how to realize stability, reunification and prosperity of the Korean peninsula in the emerging world order.

"That was the focus of my visits to the United States and Canada as well as my dialogue with Soviet President Gorbachev...the lessons of history say that unfortunate things took place when the lack of U.S. efforts created a vacuum in Asia and the Pacific.

"I told this frankly to President Bush and he wholly agreed with me...he said when Seoul plays a leading role to reunify the Korean peninsula, Washington would closely cooperate with Seoul and support it."

The president flatly denied widespread speculation that Seoul made "economic concessions" to Washington during his visit.

"The summit talks did not touch on such details. We never raised the issue in our private talks, although it was briefly referred to during the expanded summit. The U.S. side expressed the hope that our agricultural restructuring will succeed early and that the Uruguay Round trade negotiations will be settled successfully on that basis...," No said.

"Canada hoped our enterprises will increase investment. Prospects are that cooperation with Canada will further expand through technical tie-ups and joint ventures in resources development.

"I asked Prime Minister Mulroney to speak for us and other developing countries in the G-7 [Group of Seven] summit, opening in London on July 15, as a member of the summit, and he accepted it gladly. President Bush accepted my invitation to visit Seoul this fall and Prime Minister Mulroney said he would visit Korea in the near future."

No said he would strongly promote formation of an Asia-Pacific cooperative organization centered on the Asia-Pacific Economic Cooperation (APEC) in APEC ministerial meeting in Seoul in November.

"APEC was formed at the initiative of Australian Prime Minister Hawke and myself. We feel, therefore, a sense of mission and responsibility to develop it into a cooperative body that solves regional problems...the focus of these problems is the Korean peninsula. When peace takes root on the peninsula, all other problems can be resolved easily," No said.

No Tae-u Proposes North-South Student Exchange

SK0607115791 Seoul YONHAP in English 1142 GMT 6 Jul 91

[Text] Vancouver, Canada, July 6 (YONHAP)—South Korean President No Tae-u Saturday instructed his government to study a joint celebration of the Aug. 15 National Liberation Day by South and North Korea by accepting some proposals made by the North.

No told the government ministers and aides accompanying his trip to study ways of jointly staging an "inter-Korean pilgrimage" and an academic forum on national reunification proposed by North Korea, Presidential spokesman Yi Su-chung said.

No came to this western port city of Canada on his way from his week-long state visits to the United States and Canada. He is scheduled to return home Sunday evening.

No further suggested that the government allow the visits of North Korea by college and university students under the guidance of school professors if a college or university forms a North Korea visiting group headed by its president or dean. "In case there are North Korean students who want to see the South, they will be welcomed," the president was quoted as saying.

The president also told his aides to study allowing "the people who had caused troubles in the past," including dissident figures, to take part in the envisioned South-North events, if they want.

No gave the instructions "out of the judgement that we have to create a climate conducive to bettering ties between the South and the North by initiating more progressive measures," said the spokesman.

The South Korean leader suggested that the South accept the North's plan for an inter-Korean pilgrimage from Mt. Paektu in North Korea to Mt. Halla in the South as a means to improve South-North relations, according to the presidential spokesman.

The proposed joint celebration of the National Liberation Day could become an occasion to prompt exchanges between the two sides, Yi quoted the president as saying.

No expressed the hope that his overtures will contribute to the increase of exchanges and improvement of relations between the people in the two divided halves of Korea.

The government will draft detailed proposals to translate No's instructions into practice and forward them to North Korea within a week or two, according to the spokesman.

No: World Supports South's Reunification Effort

SK0707103591 Seoul YONHAP in English 1020 GMT 7 Jul 91

[Text] Seoul, July 7 (YONHAP)—President No Tae-u arrived in Seoul Sunday evening, winding up his nine-day state visit to the United States and Canada from June 29.

No had summit talks with U.S. President George Bush and Canadian Prime Minister Brian Mulroney to discuss Korean unification, North Korea's nuclear development and other issues.

Upon his arrival, No addressed welcoming crowd that the visit marked the ending of a cold war on the Korean peninsula and in Northeast Asia and prompted formulation of a new order in revolutionary changes of the world.

"Turbulence, too, was at home. But Korea, in the eyes of the United States, Canada and the other world, was an emerging nation continuing to grow with tremendous vitality, advancing democracy greatly, leading changes of the world and taking a greater role," he said.

The president said national unification is coming alive before the Korean people now the United States and the Soviet Union stand by unification and the world strives to demolish the cold war structure that forced the division.

"Now we shall realize reunification with our own strength, and the world will support our efforts," he said.

Spotted among the welcoming crowd were Prime Minister Chong Won-sik, ruling Democratic Liberal Party executive chairman Kim Yong-sam and National Assembly speaker Pak Chong-kyu.

Seoul To Make 'Epochal Disarmament Proposal'

SK0607031991 Seoul HANGYORE SINMUN in Korean 6 Jul 91 p 2

[Text] It has been learned that the government is developing an epochal disarmament proposal and its implementation plan to practically halt the arms race between the North and the South.

This new arms reduction plan of the government will include a mutual arms reduction between the North and the South and a method for its phased implementation. It appears that the general outline of this plan will be revealed through the address that President No Tae-u will give at the UN General Assembly in late September or during the fourth North-South high-level talks that are expected to take place after October.

During the North-South high-level talks held three times in the past, the government offered such steps for building military trust as giving prior notice of military training, installing an emergency direct telephone line (hot line) between the military authorities, and mutual exchanges of military personnel. It was learned on 5 July that beside these steps, the government began to develop a plan to designate the upper limit of armed forces (troops and equipment) of the North and the South, as well as its implementation plan.

It was also learned that through this new disarmament plan, the government will propose that the armed forces be redeployed from offensive positions to defensive, and that offensive weapons, including tanks, offensive helicopters, fighters, and missiles, be drastically reduced by both sides. To implement this plan, the government will call for negotiations between the North and the South.

The important contents of this plan are known to be as follows: Freezing the North's and the South's level of armed forces and phased reduction through negotiations; freezing amount of military equipment and prohibiting their qualitative improvement; abolishing lethal weapons of mass destrction, including chemical weapons; and providing a systematic inspection mechanism for practical arms reduction.

However, it appears that the detailed plan to designate the ultimate upper limit of the level of armed forces will not be offered due to the need for readjusting views among the relevant authorities and to the flexible situation.

Basically, the government's disarmament proposal can be construed as a counterproposal for the North's previous proposal for a three-phase arms reduction and the retention of a 100,000-man standing army. However, with gradual reduction of cold war confrontation on the Korean peninsula, this proposal will foresee full-scale discussions for practical disarmament that will be inevitably raised between the North and the South. Thus, this proposal is of great significance.

A high-ranking government official said that "with the entry of the North and the South into the United Nations, North Korea's expression of willingness to accept nuclear inspection, and with the anticipated establishment of ROK-China diplomatic relations, the peace structure on the Korean peninsula has now entered a stage of settlement. As a result, conditions for practical disarmament between the North and the South are being created." He noted that "there is the great possibility that North Korea will sincerely respond to disarmament negotiations to solve its economic problems."

Unification Board Plan for 'Peace City' Drafted

SK0607031091 Seoul YONHAP in English 0246 GMT 6 Jul 91

[Text] Seoul, July 6 (YONHAP)—The South Korean Government has decided to push for a wide range of inter-Korean exchanges, including construction of a "peace city" and "free market" in the Demilitarized Zone [DMZ] and joint development of the continental shelf, in 1992-1996, officials at the National Unification Board [NUB] said Saturday.

The peace city, which is currently nothing more than an idea in a draft of the 7th five-year socio-economic development plan (1992-1996), will have a population of between 300,000 to 500,000, the NUB officials said.

Other proposals in the draft plan are a post office will be opened in the DMZ truce village to enable separated families to exchange letters and a place for reunions will be established.

Some South and North Korean ports will be named for direct trade and sisterhood ties will be set up between institutes of higher learning on both sides.

Systematic devices for inter-Korean exchanges will be sought in the near future. For instance, efforts will be made to sign an agreement on meetings between separated families and their travel to the other side, they said.

The government will also support contact between South and North Koreans overseas, they said.

Korea was divided into the capitalist South and communist North in 1945 at the end of World War II and fought a three-year war from 1950. There are an estimated 10 million families separated between the two sides.

The officials said continued endeavors would be made to replace trade via third countries with direct trade between the two sides.

The two sides may also discuss joint advancement into third countries, particularly joint exploitation of salt and gas in Siberia and building a joint venture commodities factory near the Tuman River in North Korea.

One trillion won will be spent to facilitate South-North cooperation, the officials said.

"It is of great significance that we included North Korea in our five-year socio-economic development plan. Prospects for inter-Korean exchange will become brighter with all the systematic and financial support," one of them said.

Kim Il-song Reportedly Fitted With Pacemaker

SK0607063791 Seoul YONHAP in English 0618 GMT 6 Jul 91

[Text] Seoul, July 6 (YONHAP)—North Korean leader Kim Il- song was fitted with a pacemaker by a French surgeon in March, a South Korean newspaper quoted a heart specialist in Lyons, France, as saying Saturday.

THE SEGYE TIMES reported that Prof. Agrege Ninet of Lyons University Hospital said in a telephone interview Friday that one of his colleagues operated on Kim three months ago at the request of the Pyongyang government.

Ninet denied receiving an invitation from North Korea, the TIMES said.

* North Korean Food Shortage Described

912C0207A Seoul CHOSON ILBO in Korean 11 Apr 91 p 3

[Article by Yi Yong-chu: "How Serious Is North Korea's Food Shortage?"]

[Text] Talk about North Korean food shortages is not new, but we are being told that the actual conditions transcend anything we could ever imagine.

In particular, concerning the North Korean grain harvest for 1990, it was the worst year on record since 1980; compared to 1989, it was down 12 percent to 4.8 million tons (rice was 1.93 million tons, and our rice production last year was 5.6 million tons). Taking into account that each North Korean adult is supplied 700 grams a year, calculations show that there is a grain shortage of 1.6 million tons above the total demand of 6.4 million tons.

Near the end of last year, a certain Soviet North Korean specialist visiting Seoul predicted that in 1991, North Korea would have to import 2 million tons of grain, and if they did not, by the summer of 1991 the lack of food would result in starvation. Recently, according to overseas Koreans who have visited North Korea, a "two meals a day movement" and a "tighten our belts movement" have been initiated on the farm, and even food rations to party officials have been reduced.

In an AFP news report dated 3 February, "According to an economic cooperation agreement made with the PRC in November of last year, North Korea will use all of the $150 million in aid it receives from the PRC over a period of five years to purchase foodstuffs, and even diplomats residing in Pyongyang are having a hard time finding items like pork and potatoes."

In the midst of all this, it has become common for the North Korean populace to eat livestock feed, and feed has become so scarce that a number of poultry farms are closing their doors. Even in the DMZ area, there are frequent occurrences of soldiers stealing food rations.

In the mid 1970's, North Korea, on the pretext of storing supplies for war, reduced the monthly rations by the equivalent of four days, and since 1987, on the pretext of reducing rice consumption as a patriotic gesture, supplies were cut an additional 10 percent, meaning that the normal allotment for an adult of 700 grams is now only a paltry 547 grams.

Concerning the ratio of rice to other cereal grains in mixed grain rations, for the privileged class of party officials and government authorities it is 8:2, whereas for the normal citizen in Pyongyang and Kesong it is 3:7, and for those in other regions it is 2:8, which means that for the normal citizen, mixed cereals have become, in fact, the staple.

Overseas Korean Han Chung-kuk, who visited North Korea in October 1990, said that they are struggling: "They are given only mixed cereals, almost no rations of rice—for special occasions such as weddings, friends and relatives are invited to bring rice with them."

As one of its efforts to alleviate the food shortage, North Korea is promoting—in propaganda organs such as newspapers and magazines—food preparation methods to conserve grain, such as "vegetable rice in the summer and kimchi rice in the winter. Vegetable rice, mixed with vegetables and other edibles, is packed with vitamins, and kimchi rice can taste great without side dishes." Stories are being passed around saying that a "two meals a day, one of them noodles" movement has been started among the soldiers. Along with this, rice pellets imported from Vietnam for use as livestock feed are being converted to table use, and North Korea is engaged in the monumental task of increasing the absolute volume of grain by mixing the high-grade rice with imported cornmeal instead of exporting it. Using grain to feed livestock is strictly forbidden.

In regard to North Korea's long-standing food shortage, concerned officials from our side, including the National Unification Board, have analyzed that damage from successive typhoons during the 1985-87 timeframe caused the decisive blow, and this year's disastrous harvest was due to flooded farmland from July to September, a shortened planting and harvesting season, and a lack of mature fertilizer supplies.

It has also been analyzed that this year, in active efforts shown by North Korea in pursuing its "southern diplomacy" with Southeast Asian countries like Indonesia and Malaysia, relatively heavy emphasis is being placed on negotiations for importing rice to resolve the grave food situation.

North Korean Prime Minister Yon Hyong-muk made an official visit to three Southeast Asian countries from 29 January to 7 February and signed a contract to import 1 million tons of rice from Thailand. Of this amount, 500,000 tons will be imported this year, and in return, Thailand will import steel products and cement from North Korea.

USSR Plans To Buy Consumer Goods With Loans

SK0407044491 Seoul THE KOREA TIMES in English 4 Jul 91 p 8

[Text] Shipments of Korean-made consumer products to the Soviet Union will soon be going strong.

The Soviet Union is purchasing them with tied loans supplied by Korea.

Korea will export 32 consumer products worth $800 million to the Soviet Union this year with the supply of the same amount in tied loans to it.

The supply of $800 million in tied loans to the Soviet Union is part of the $3 billion economic aid package which Seoul will extend to Moscow over the next three years beginning this year in order to boost the backward Soviet economy.

During the period, a total of $1.5 billion in tied loans will be channelled to the Soviet Union to help it purchase Korean-made consumer products.

Of shipments of the 32 consumer products worth $800 million to the Soviet Union set for this year, the Trade-Industry Ministry said yesterday that it permitted nine enterprises to export 22 items valued at $232 million.

The nine companies are seven general trading firms such as Samsung, Lucky-Goldstar, Hyundai, Kolon, Hyosung, Daewoo and Sunkyong, and Hanil Synthetic Fiber and Doruco.

Specifically, Samsung will ship nine products worth $63 million, Lucky-Goldstar 10 ($53 million), Hyundai nine ($36 million), Kolon three ($29 million), Hyosung two ($17 million), Daewoo four ($14 million), Sunkyong two ($6 million), Doruco razor blades ($10 million) and Hanil Synthetic Fiber two ($5 million).

In the meantime, Samsung, Lucky-Goldstar, Sunkyong, Hyundai and Doruco have already signed contracts with the Soviet Union to export six consumer products worth $46 million.

The ministry said that exports of Korean-made consumer products to the Soviet Union will soon be in full swing.

Soviet Magazine on Border Incident With North

SK0607024491 Seoul YONHAP in English 0225 GMT 6 Jul 91

[Text] Moscow, July 6 (YONHAP)—Train service between Pyongyang and Moscow was suspended for a week on June 22 because of a fight between North Korean passengers and Soviet customs officials, KOMSOMOLSKAYA PRAVDA reported in its Wednesday [3 July] edition.

According to the organ of the Communist Youth League, the fight began when a North Korean diplomat on a train to Pyongyang refused to allow his baggage to be inspected by customs officials at the border village of Khasan.

While customs officials were inspecting other North Korean passenger's luggage, he still refused and waved a diplomatic passport. The other 32 North Koreans in the coach began a protest when customs officers demanded he produce some other identification.

His bags were removed from the train, and then North Korean laborers working nearby attacked the customs officers.

North Korean border guards were dispatched to restore order and a train was sent later that day to collect the North Korean passengers.

Service between Pyongyang and Moscow was halted for a week after the incident, KOMSOMOLSKAYA PRAVDA said.

The North Korean diplomat's baggage was found to contain two color television sets, Soviet goods worth 30,000 rubles, and cash amounting to 3,105 U.S. dollars and 9,000 rubles. He returned home, leaving his baggage at the customs post.

Melee During Hearing on Student Death Reported

SK0407134591 Seoul YONHAP in English 1318 GMT 4 Jul 91

[Text] Seoul, July 4 (OANA-YONHAP)—Angry parents and friends of a slain student lodged harsh protests during a hearing Thursday against the defense lawyer for what they charged "fact-distorting " defense of five riot policemen accused of clubbing to death Kang Kyung-tae, in April.

Kang Min-cho, father of the victim, his wife and some 20 others from dissident groups charged in about 10 minutes after defense lawyer Choi Chin-sok began cross-examination of the defendants, seizing microphones, throwing furniture and manhandling the court-assigned defense counsel.

More than 150 people in the courtroom fled during the 20-minute melee, one of the most violent courtroom clash. The protesters continued to occupy the room, shouting slogans and pelting eggs.

The court reconvened an hour and a half later and ended after a 10-minute cross-examination by the defense.

The five policemen are accused of the fatal beating April 26 of Kang, a 20-year-old freshman at Seoul's Myongji University, during a street demonstration.

The accused, members of combat troops, allegedly pulled down Kang as he was scaling over a wall to flee the demonstration scene and beat him with iron pipes.

Kang's death ignited waves of anti-government demonstrations that lasted for weeks, the most heated protests since President No Tae-u took office in February 1988. Seven students and dissidents even committed suicide.

No, bowing to public criticism from the incident, reshuffled the cabinet, including the prime minister and home minister.

Officials Respond to Court Melee

SK0507074091 Seoul YONHAP in English 0645 GMT 5 Jul 91

[Text] Seoul, July 5 (YONHAP)—Chief Justice Kim Tok-chu said Friday that the authority of the judiciary was damaged by a courtroom disturbance Thursday and a strong response was required.

Justice Minister Kim Ki-chun called the disturbance a challenge to legal order and said it could not go without punishment. He ordered prosecutors to arrest everyone involved and draw up a measure to prevent a recurrence.

The trial of five policemen charged with beating student Kang Kyong-tae to death in late April was stopped Thursday afternoon when Kang's family and dissidents shouted at a defense attorney who had called for leniency.

One of them grabbed the lawyer by the throat while 20 more tossed court papers and microphones on the floor and threw eggs at the bench.

Kang's death triggered massive anti-government demonstrations and self-immolations for almost a month and a half across the nation, only tapering off for the local elections on June 20.

Chyon Chae-ki, chief of the Seoul District prosecutor's office, ordered an investigation into whether the disturbance was planned and identification and prosecution of the perpetrators.

Some 20 members of the association of bereaved families of dead dissidents are suspected of instigating the court chaos.

The prosecution will charge them with contempt of court and damaging public property, a prosecutor said on condition of anonymity.

Prosecutors were to question Kang's family, court officials and attorney Choe Chin-sok on Friday.

"As far as Kang's family is concerned, we may consider the extenuating circumstances and assume they acted violently out of rage. But for other dissidents, we have to go by the book if their actions were premeditated," he said.

Student's Father Arrested

SK0807040591 Seoul YONHAP in English 0304 GMT 8 Jul 91

[Text] Seoul, July 8 (YONHAP)—Prosecutors arrested Pak Chong-ki, the father of a university student tortured to death by the police in 1987, on contempt of court charges Sunday.

He was captured at 1:30 A.M. in ambush at the entrance to his apartment building.

Pak disrupted a hearing for five riot policemen charged with beating a student to death during a demonstration on Thursday. With 20 members of Mingahyop [The Council of the Family Movement for Practicing Democracy], an association of dissidents, he made disruptive remarks and struck a court official on the nose with a fan when he was prevented from entering the judge's chambers.

The ruckus broke out because the defense was thought to be twisting the facts concerning the killing of Kang Kyong-tae during a street protest in April.

Prosecutors are also on the track of Kang Min-cho, father of the slain student, as a suspect in the court disturbance. Pak said they were in Kwangju at the weekend to participate in the memorial services for Yi Han-yol, killed by a tear gas shell in 1987, and Pak Song-hui, who burnt herself to death in May.

* Labor-Management Relations Analyzed

912C0209A Seoul TONG-A ILBO in Korean 4, 6, 8 Apr 91

[Article by reporter Hong Chan-sik: "How Will the Wage Struggle End Up?"]

[4 Apr 91 p 3]

[Text] Editor's note: The first of April marks the beginning of the annual "spring labor offensive" during which labor and management have a showdown over wages and in the collective bargaining process in most enterprises. Contrary to the relatively smooth labor-management relations last year, the prevailing view is that a lot of trouble is in store for labor relations this year due to such external factors as fears of inflation and rising housing costs. In this series the reporter will deal with the outlook for labor-management relations for this year and the government's countermeasures. [end editor's note]

"Last year the union was satisfied with a single-digit wage increase. The reasoning was that the workers should exercise self-restraint in their demand for a wage increase because higher wages would invariably cause corresponding price increases. But, despite this restraint, we saw no change. Prices have continued to soar so much that we can hardly make ends meet...." (Kim Un-hui, 26, a worker in the free export zone in Masan)

"What is the use of getting a pay raise of a few more won? Even if one saved several million won by skimping all around, it would not be enough to cover the deposit for the rent of a room. Unless the housing problem is solved, it is in reality impossible to achieve stable labor-management relations." (Om Kyo-su, 28, a senior union official in the Hyundai Company in Ulsan)

Setting a stable labor-management relationship as its foremost economic policy goal for this year, the government has adopted a plan to limit wage increases to the single-digit range. But, the atmosphere in most of the enterprises indicates that never before has the dissatisfaction felt among the workers as they brace for the spring labor offensive been as intense as now.

In preparation for the initiation of collective bargaining sessions with their firms, labor unions are currently working out their demands for wage increases with the goal set somewhere between 20 and 30 percent.

The unions in the Kuro Industrial Complex in Seoul are reportedly planning to demand a wage hike averaging about 20 percent.

This level of projected wage-hike demand represents an average increase of about 10 percent over last year's level and is two to three times as much as the actual average rate of increase of 9 percent.

On the wage issue, union officials say: "Overall domestic prices increased by 9.4 percent last year, and so far this year they have risen another 4.9 percent. On the contrary, the average wage increase last year in enterprises throughout the country was only 9 percent. This is to say that the workers are getting their real wages cut for nothing."

For this reason, these union officials say that they have no alternative but to demand a greater wage hike than they did last year, "from the standpoint of at least securing the cost of living."

On the other hand, the government and management have made it clear that they will strongly counter the labor offensive with the policy of keeping wage increases within a single-digit range on the grounds that a steep domestic wage level would deal a mortal blow to our economy. In addition to the rising price trends, the soaring housing cost and the spate of corruption cases involving the leadership stratum of the society, such as the Sosu case, have angered the workers and become factors aggravating labor disputes.

Compared with 3 or 4 years ago, housing prices in major cities have risen four to five times, making it that much harder for the workers to realize the dream of owning their own homes. As a consequence, there is an increasing tendency among unions to include a solution to the housing problem as an important issue for collective bargaining.

For instance, in preparation for the collective bargaining session, the Merinol Hospital Union in Pusan has submitted the demand that in addition to a flat 11,000 won pay raise, the company advance 10 million won to finance the purchase of a home or 5 million won to cover the deposit for renting a room when an employee wants to buy a house or rent a room.

Interested officials anticipate that an increasing number of unions in Inchon and Songnam in the capital zone where there is an acute housing shortage will demand that their companies provide financial support for solving the workers' housing problems.

However, inasmuch as it is impossible to solve the housing shortage for workers with the help of the employers alone, the housing issue is most likely to become a factor tending to aggravate labor strife.

The recent streak of corruption cases involving those in power, such as the overseas junket by National Assembly members with the money received as a bribe and the Sosu case, are expected to have a major impact on the labor movement this year.

Until last year, union officials had to wage an uphill fight in the face of the public opinion that "the national economy is on the verge of a crisis due to the excessive wage-hike demand on the part of the workers." But, in the wake of the recent overseas junket by assemblymen with the money received as a bribe and the Sosu case, labor organizations and unions have worked out a plan to secure grass-roots support for the labor movement by persuading the public during the current labor offensive with the argument that the government and management in general and the corruption inside the power structure in particular are more to blame for the economic difficulties of our country.

In addition, external political issues, such as provincial-level local elections scheduled to take place in May or June, are expected to have a significant impact on the struggle for a wage increase this year.

Labor organizations have plans to take advantage of the lax campaign atmosphere surrounding the local autonomy elections, and what is more, the timing for collective bargaining coincides with the local elections. For this reason, should bribery and other corrupt practices become a hotly debated issue in the local autonomy elections, it would seriously influence collective bargaining for a wage increase.

According to the analytical view of experts concerned, non-wage social factors are likely to greatly influence the labor dispute this year in view of the "unpredictability" of the labor dispute, which, once started, is apt to spread even to small enterprises in no time.

What is more, since the latter part of last year, "hard-core executives" affiliated with the progressive union movement have been installed in unions in major large-scale operating sites, making it certain that union activities in these sites will be far more aggressive than before.

The unions in Daewoo Shipbuilding and Heavy Machinery, Daewoo Precision Industries, Daewoo Motor Company, and other firms belonging to the Daewoo group, as well as the unions in Kumho Tire and Asia Motors, are typical examples of the unions which were taken over by hard-core chairmen beginning in the latter part of last year.

On the other hand, in some quarters there is an optimistic view that our economic environment has not improved enough to permit unions to make an excessive wage-hike demand and that the wage dispute will be settled at nearly the same level as last year thanks to the experience gained through collective bargaining between labor and management in the past 3 or 4 years.

In the final analysis, the key to settling the labor-management dispute over a wage hike this year is for the government to demonstrate to the workers in terms of concrete measures its self-determination and ability to stabilize commodity and real estate prices by the end of the year.

[6 Apr 91 p 5]

[Text] From 1987 on, over 1,500 cases of labor disputes were reported annually. But last year the figure dropped to 322 cases, and thus, as far as labor disputes are concerned, things were unusually smooth.

Apart from these statistics, labor-management relations remained stable all year round, with no large-scale violent disputes taking place except the mammoth sit-in at Hyundai Heavy Industries in Ulsan and the KBS (Korea Broadcasting System) case.

Many factors contributed to the stable labor relations last year. But, the general view of analysts that the most important factor was the strong measures government took to foil disputes at the roots by mobilizing physical force against the National Council of Labor Movements (Chonnohyop) and other hard-core trade unions, as well as the negative public opinion against the radical labor movement.

Thanks to the strong government measures and the unfavorable public opinion labor unions were put "on the defensive" last year. It is noteworthy, however, that labor organizations are currently closing ranks by adopting a new strategy which they call "a joint wage struggle."

In the judgment of labor organizations, the labor strife last year produced little effect because each union had to hold separate wage negotiations at its workplace as a result of the failure of trade unions to put up a joint struggle. On the basis of this assessment, labor organizations have organized area-by-area wage struggle committees by bringing together the trade unions in each area. In other words, this year labor organizations have undertaken to organize a joint front to assist one another.

With the start of wage negotiations in early April, labor organizations swung into action and have already set up the "Joint Wage Struggle Headquarters" (Kongtubon) in 15 areas throughout the country, including Seoul, Inchon, Pusan, Kwangju, and Masan, at the initiative of the Chonnohyop and the Conference of Big Company Trade Unions for Solidarity [Yondaehoeui].

Union insiders have expressed the hope that "depending on the activities of Kongtubon, which is joined by combative progressive unions in droves, the wage-hike struggle this year will be much more active than last year."

Kongtubon is an abbreviation of the long name "The Joint Struggle Headquarters for Wage Hikes, Curbing of Soaring Prices, and Protection of Labor's Basic Rights." More than 400 trade unions throughout the country have joined this organization. In addition to unions affiliated with Chonnohyop and Yondaehoeui, other "progressive-minded" unions which were unable to join these two organizations due to their circumstances are joining forces with them.

In the Seoul area, 87 unions (with a membership of 15,000 workers), including more than 30 unions which are not members of Chonnohyop, joined Kongtubon at a ceremony on 28 February. In the Inchon area, about 90 unions plan to launch a joint action with Kongtubon when they engage in wage negotiations. In addition, the Kongtubon membership includes: 25 unions in the Songnam area, 49 unions in the Suwon-Anyang area, 22 unions in Pusan, 16 unions each in Taegu and Kwangju, 36 unions in the Masan-Changwon area, and 26 unions in North Cholla Province.

"The Pusan Area Joint Wage Struggle Headquarters" has been active since it was inaugurated at a ceremony on the Pusan University campus on 31 March. One of its officials said that "relatively influential unions in Pusan, Yangsan, and Kimhae have joined our Kongtubon." He added, "we will take the initiative in the wage-hike struggle in our area, while simultaneously waging a struggle to have the government make institutional improvements so that the workers may earn enough money to cover the cost of living and solve their housing problem."

The most important strategy of the unions participating in Kongtubon is to synchronize the timing for wage negotiations with their companies so that in the event the negotiations should end in rupture, they may file a notification on the rupture and go on strike or take other collective actions. The strategy of Kongtubon officials is based on this reasoning: If trade unions go on strike simultaneously in various localities, it will overwhelm the employers and put labor in an advantageous bargaining position.

The Pacific Chemical Company union in Suwon has already initiated negotiations according to the schedule drawn up by Kongtubon, and the unions in Daewoo Motor Company (in Inchon) and Daewoo Shipbuilding (in Koje), and Asia Motors Company (in Kwangju) are scheduled to begin wage-hike negotiations soon. The union in Hyundai Motor Company in Ulsan, although not affiliated with Kongtubon, is said ready to begin wage-hike negotiations soon, 1 month ahead of the original schedule.

If trade unions seek to enter negotiations with management according to the Kongtubon schedule, they will file a notice on the initiation of the dispute and go on strike simultaneously on 10 May. Chonnohyop in particular even has a plan to declare the 7-day period centering on May Day as "May Day Week" to stir up the fighting spirit of the workers.

Kongtubon also has a plan to have unions consult with one another for the purpose of obtaining in the bargaining session a wage hike over and above a certain percentage set in advance, and to see that when some unions have difficulties in the course of negotiation, other unions will provide assistance to them.

One member of the operating committee of Kongtubon, which has its national headquarters in the Chonnohyop building in Seoul, disclosed that Kongtubon will set the following internal rules to strengthen its organizational strength: Unions should consult the Kongtubon operating committee before winding up the wage-hike negotiation; the no work, no pay principle will be rejected; unions, as soon as they wind up wage negotiations, should assist other unions which have not yet concluded negotiations; each union member is required to pay monthly dues of 100 won to cover Kongtubon's operating expenses.

Labor officials predict that "Kongtubon is a nothing more than a voluntary apparatus of trade unions, but given the widespread consensus among the workers that they should put up a joint front in wage-hike negotiations, Kongtubon may produce unexpectedly great results."

With regard to the Kongtubon-related activities of some unions, Labor Ministry and other concerned officials maintain that a joint wage-hike struggle by unions is illegal under the current labor laws, and said that when there is evidence of a concrete joint action, the authorities will punish the unionists involved on charges of third-party meddling in a strike.

Government authorities expect that Kongtubon will not only get involved in the labor struggle of workers but also serve as a platform for a "labor-student struggle" by establishing connections with school campuses.

Inside and outside of the labor front, attention is focused on the Kongtubon strategy—a trump card used by labor organizers in an effort to recoup the disadvantages they suffered last year due to the "defensive posture"—as Kongtubon is expected to play a bellwether role which will decide the flow of the wage-hike struggle in the first half of the year.

[8 Apr 91 p 5]

[Text] The government has firmed up a plan to deal strongly with labor-management disputes this year, should they become aggravated. This is because the government takes a serious view of the fact that labor-management relations remained relatively stable last year, but this year the conditions in industrial operating sites have deteriorated in many ways.

On 19 March President No Tae-u went out of his way and gathered representatives of workers and employers at his official mansion to make an appeal for industrial peace. Meanwhile, the government has said it will invoke its emergency arbitration power, which it has never used, should labor disputes get overheated. All this may be indicative of the sense of crisis the government feels in respect to this year's wage-hike negotiations, which it fears will be more difficult than ever before.

The appointment late last year of then Information Minister Choe Pyong-yol, who is known as a hard-liner, as labor minister may be viewed in the same light. All this gives the impression that the government will cope more strongly with union activities than it did last year.

The wage negotiations in most companies are only in the beginning stage in which the negotiating parties introduce themselves to each other, but 45 unionists have been taken into custody, highlighting the government's get-tough policy.

On 12 February government authorities took into custody seven key officials of the "Conference of Big Company Unions for Solidarity" (Yondaehoeui) on charges of meddling in the strike at the Daewoo Shipyard as a third party. Subsequently, on 27 March seven more Daewoo Company union leaders were arrested, including Paek Sun-hwan, who is the Daewoo Trade Union chairman and concurrently Yondaehoeui chairman.

It is the dominant view of labor that the mass arrest of senior Yondaehoeui officials was aimed at preventing excesses on the part of big company unions, fearing that this year the union movement is likely to intensify mainly in the production plants of large corporations.

According to a Chonnohyop tabulation, as many as 145 unionists are currently held in custody, including those who still remain in jail after being arrested last year on charges of third-party interference in corporate business.

This figure is more than twice the normal figure in the past. This, say labor organizations, is a typical illustration of the government's naked oppression against labor.

In addition, the Labor Ministry audited the financial and other operational records of trade unions affiliated with Chonnohyop to determine whether they paid support funds to Chonnohyop, an outlaw organization.

Given the short history of labor movements in our country, an audit of any trade union is bound to reveal the irrationality in union management in one way or another. For this reason, from the standpoint of unions, this kind of auditing is meant as a means of "suppression."

True, this strong-arm policy on the part of the government has produced some results. But it is a fact that it has much stiffened the resistance of the workers since early this year.

In the wake of the arrest of senior officials of Yondaehoeui, unions affiliated with it staged a simultaneous strike on 21 February, and this strike drew attention because it was not a strike over customary issues such as the demand for better working conditions, but one staged in protest against the government policy.

When the government's "braking action" on labor movements accelerates, labor organizations tend to close ranks and search for solidarity with the dissident forces.

For this reason, labor officials predict that "the wage-hike struggle this spring will assume more of the features of a power game between the government and labor organizations in a distinctive trend."

In preparation for the wage-hike struggle this year, employers are also searching for active countermeasures while exchanging information with one another. But they are reportedly taking a far more flexible stance than last year.

A certain Kim, 46, a senior official of a manufacturing firm in the Changwon Industrial Complex has said, "if we come up with a single-digit raise in the bargaining with the union, I do not think the workers will buy it. When a company next door winds up wage negotiations, we plan to offer a slightly higher wage hike."

In particular, in the case of the manufacturing firms which wound up wage negotiations by the end of March, the average wage hike exceeded a single digit, indicating that the government policy of keeping the wage hike rate in the single-digit range has turned out to be ineffectual.

Of 6,590 enterprises with 100 or more employees in the country, 248 manufacturing firms have wound up wage negotiations with an average wage increase of 11.9 percent, according to the Economic Planning Board.

In Samwang Corporation in Seoul, whose union is affiliated with Chonnohyop, labor and management agreed on a 21 percent wage increase, and Chinsong Shot [name as published] in Pusan gave an 18 percent increase.

The wage negotiations are still in their early stage, but these examples may be interpreted as a reflection of the reality that employers have no choice but to meet the union demands to a certain extent, considering rising prices and other factors.

Nevertheless, in terms of the domestic wage level, which holds the key to strengthening the international competitiveness of our economy, the nation has quickly joined the ranks of those with the highest wage levels among our Asian rivals. The government and employers fear that if another high wage increase is allowed in the wage negotiations this year, it will result in a further deterioration of our export position.

Under these circumstances, it is noteworthy that some unions are indicating that they "will exercise self-restraint only when the problems of soaring prices and housing are resolved."

To cite a typical example, Yi Sang-pom, chairman of the Hyundai Motor Company union in Ulsan, has declared "a labor movement committed to the economic-interest-comes-first principle," doing away with the current struggle-oriented one. He is pressing the government for various tax benefits and a solution to the housing problem in exchange for a wage hike at an appropriate level.

Officials concerned point out that in order for this line of rationalism to spread among a majority of unions, it is imperative first of all to establish a clean political atmosphere within the ruling class and take institutional measures to shut off all chances of making a windfall income, as from real estate speculation, which dampens the will of the workers to work hard.

They point out in particular that if the government, not trying to stamp out the root causes of labor-management disputes, should attempt to drive trade unions into the corner by "force," it is possible that disputes between labor and management will bog down in "the morasses of confusion."

This is because as far as labor-management disputes are concerned, it is best to solve them by voluntary methods on the part of the two parties involved.

* DLP's 'Power Game' Strategy Analyzed

912C0211A Seoul CHUGAN CHOSON in Korean 21 Apr 91 pp 14-19

[Article by reporter Yi Chin-kwang: "The New Phase of the Power Game With a Revamped Call for a Revision of the Constitution To Provide for the Cabinet Form of Government; a New Move Afoot for a "Succession Strategy" Without Pak Chol-on and Kim Pok-tong"]

[Text] The political situation in the latter period of the Sixth Republic is entering a new phase. The attention of the public, not to mention the political world, is now focused on the process and method of selecting the government party's next presidential candidate and what will come out of this selection process. Needless to say, this attention has been prompted by the "political downfall" of Pak Chol-on, minister of sports and juvenile affairs.

At the 23 March Blue House family gathering, President No Tae-u reportedly made it clear that he would exclude Pak Chol-on from the next presidential election and would not permit former soldiers or his relatives to run for the next presidential election. This move on the part of the president sheds more light on what direction the power game within the ruling party for the post-No Tae-u presidential mantle will take. To be more specific, President No Tae-u has defined the exclusion of his relatives and the exclusion of former soldiers as two major principles of his scheme for the selection of the next presidential candidate. Under these principles, it may be said, Pak Chol-on, who has often been mentioned as one of the would-be candidates, and Kim Pok-tong, who is the president's brother-in-law and friend, are excluded from the next presidential race for now. (Kim Pok-tong is currently the president of the Institute for International Studies.)

Accordingly, the power game strategy of the ruling party for the presidential post has been compressed into a simpler form of race between Kim Yong-sam, executive chairman of the DLP [Democratic Liberal Party], and the "anti-Kim or non-Kim forces." Another point which has been made clear in connection with the future political trends is that the question of revising the constitution to provide for the cabinet form of government remains smoldering. This question will most likely continue to smolder.

As a matter of fact, the prevailing view is that President No's action to bring about Pak Chol-on's political downfall on the one hand and the question of revising the constitution to provide for the cabinet form of government on the other hand are closely interlocked. In other words, according to this view, the 23 March "Blue House family meeting" and the 1 April "Taegu meeting between Kim Yong-sam and Kim Tae-chung" are both part of the power game.

Pak Openly Calls for Early Desiccation of Kim Yong-sam

From information trickling from sources close to President No, it is speculated that the president is still interested in the cabinet form of government in conjunction with the next presidential race. Needless to say, President No's action taken in the family gathering—his decision to bar Pak Chol-on from the presidential race and the front line of politics—was prompted primarily by the fact that Pak and his Wolgyesuhoe, while expanding their influence and otherwise taking measures to brace for the next presidential election, have made controversial statements such as what they call "the rising Sun," thereby causing a ripple in the political world.

Nevertheless, according to political observers, a more penetrating look into what is going on in the inside reveals that President No has a strong inclination toward revising the constitution to introduce the cabinet form of government. Kim Yong-sam and the RDP [Reunification Democratic Party] wing of the DLP used to say that they were opposed to the cabinet form because of Pak Chol-on; and the latest presidential action is interpreted as a move on the part of the president to strengthen his control over Kim Yong-sam and the RDP wing by placing Pak Chol-on on the sideline of the presidential race.

In fact, the existence of Pak Chol-on, Wolgyesuhoe, and the so-called "public security faction" provided the justification for the offensive taken by Kim Yong-sam and the RDP wing against President No and the DJP [Democratic Justice Party] wing in the power game. The RDP wing called for an early DLP convention to be held "after the provincial-level assembly elections and before the next regular session of the National Assembly," with a view to getting Kim Yong-sam to be nominated as the DLP presidential candidate at an early date. This call is also interpreted as having been prompted by the moves on the part of the Pak Chol-on faction to hasten a showdown with the Kim Yong-sam faction.

Up until now the Pak Chol-on faction has argued for an "early desiccation of Executive Chairman Kim." This argument presumes that there is no reason to expect that Kim Yong-sam will either withdraw his demand that he be nominated as the presidential candidate or agree to push for the cabinet system. Pak Chol-on and company also surmised that any delay in having the showdown with Kim Yong-sam would only hurt the DLP. As a result, there emerged the argument that it would be better to have an early showdown with Kim Yong-sam.

On the contrary, the assessment of the "anti-Pak Chol-on faction" within the DJP wing led by DLP Secretary General Kim Yun-hwan was that an "early parting" with Kim Yong-sam would most likely damage President No's ruling power. This assessment gave rise to the counter argument that the use of the "parting" card should be delayed as much as possible. Meantime, rumors about "July parting" or "August parting" circulated in political circles.

This inner conflict within the DJP faction over the "strategy toward Executive Chairman Kim" has ended in victory for the Kim Yun-hwan side with the downfall of Pak Chol-on. This is to say that President No has adopted the position of putting an all-out showdown with Kim Yong-sam on the back burner for now and reining him in more tightly.

That is not the only reason President No has decided to rein in Kim Yong-sam and the RDP wing. There are other reasons, too. One of them is that the president seeks to strengthen his ruling power in the second half of his tenure and prevent the lame duck phenomenon, and this is intended to forestall the strong demands Kim Yong-sam and the RDP wing are expected to make during the official nomination process to choose candidates for the 14th general election, which will turn out to be much like an intraparty power squabble in character.

Characteristically, however, the first and foremost reason is to lay the groundwork for pushing for a revision of the constitution to provide for the cabinet system. In other words, according to observers, the president's idea is that he will eliminate unnecessary friction with Kim Yong-sam by pushing Pak Chol-on onto the sideline and leave room for a revision of the constitution to introduce the cabinet system in return.

But Kim Yong-sam put a wedge into President No's strategy. The occasion was the 1 April Taegu meeting between the two Kims. As tension rose between President No and Kim Yong-sam in the wake of the Taegu meeting of the two Kims, on the surface the two Kims' agreement to "do away with rule by the security apparatus" was made an issue because the president's side argued that no one could interfere in his ruling style.

But, under the surface the complete denial by the two Kims of the possibility of revising the constitution to provide for the cabinet system became the focus of the controversy. This is because Kim Yong-sam and Kim Tae-chung openly ruled out the possibility of revising the constitution in favor of the cabinet system, a possibility which might be resuscitated should Kim Tae-chung's PPD (now New Democratic Party) and the RDP wing barely maintain the status quo or see their influence ebb in the aftermath of the forthcoming provincial-level assembly elections and 14th general election.

Pak's "Political Downfall" Not Taken Seriously by RDP Wing

From this point of view, there is one very interesting side to this strategy. That is the time gap between the 23 March Blue House family meeting and the 1 April meeting between the two Kims. What was discussed at the 23 March meeting was immediately circulated in political circles. It may be considered out of the ordinary that the substance of the discussion at a meeting attended only by the family circle is made public so soon. In particular, the fact that the RDP wing was the source of the news about the Blue House family meeting, seems to suggest that Kim Yong-sam and the RDP wing came to apprehend what was in the president's mind to some extent.

Amid the expectation that Pak Chol-on's political influence would ebb, Kim Yong-sam met with Kim Tae-chung and wrangled Kim Tae-chung's consent to the view that a revision of the constitution for the cabinet system will be impossible in the 14th National Assembly as is in the 13th National Assembly, and made public this agreement. This move on the part of Kim Yong-sam may be taken as one round of a delicate under-the-surface power game in which the president and Kim Yong-sam have exchanged punches and counter punches.

A political source asked: "In spite of the fact that the substance of the Blue House family meeting was made known to Kim Yong-sam, the two Kims went ahead and met, and this means that taking the Blue House family meeting as an attempt to revive the call for the cabinet system, Kim Yong-sam did what he did. Isn't that so?" The same source also pointed out that attention should be paid to the time gap between the (23 March) Blue House family meeting and the (6 April) announcement by Pak Chol-on that he would step down as advisor to Wolgyesuhoe. The same source explained that all this leads to the conclusion by analogy that the flow of political events, namely, the Blue House family meeting—the dissemination of the substance of the meeting—the Taegu meeting of the two Kims—Pak Chol-on's announcement on relinquishing his post as advisor to Wolgyesuhoe—took place with one event interlocked with another within the same scheme of political game. And this is the reason why the RDP wing is not taking Pak Chol-on's "political downfall" seriously.

The prevailing view is that this fierce and highly skilled political power game currently progressing in the core of the political circles will fall into a temporary lull to give the parties involved time to size up each other's potential and strategies and map out countermeasures. This lull is needed because the extraordinary session of the National Assembly to handle the reform bills and the provincial-level assembly elections are in the offing.

However, some observers say that it will not be a complete lull. It is quite possible that a "limited war" may be fought between the Kim Yong-sam side and the anti-Kim Yong-sam side over the way of operating the extraordinary session of the National Assembly. In particular, there is ample probability that conflict will develop over the handling of the bill on revising the National Security Law and other reform bills. The same is true with the provincial-level assembly elections. First, most likely there will be an acute conflict over the issue of party nomination of candidates. As things stand now, no one can rule out the possibility that the presidential candidate will be chosen through competition. This will leave room for the issue of nomination of party candidates for the provincial-level assembly elections to give rise to an unexpected sharp conflict among various factions. This is because in the provincial-level assembly elections, the party convention will be empowered to nominate the candidates.

There is ample room for internal strife to develop in the DLP in the course of the provincial-level assembly elections. The situation will change depending on how Kim Yong-sam reacts when Kim Tae-chung stumps the country for his party's candidates. If Kim Yong-sam stumps like Kim Tae-chung, it is bound to take on the aspect of a skirmish preceding to the full-fledged race for the presidency that will develop in the party convention slated for late 1992. This could be the beginning of the pattern of political game centering on the two Kims. On the other hand, it might stir public fear of an acute confrontation between the two Kims and thus give added ammunition to the call for shift in generation. For this reason, leaving aside Kim Tae-chung, it is difficult at the moment to predict how Kim Yong-sam will act. Nevertheless, it is obvious that this question will be made an issue in the course of the election, depending on the interests of various factions in the DLP.

Yet, it is speculated that most probably a full-fledged power struggle will come after the completion of the provincial-level assembly elections. This is because the KDP wing's demand for an early nomination of the presidential candidate is expected to intensify when the local elections are over. However, the methodology and intensity of this demand are quite fluid.

Many observers speculate that Kim Yong-sam will try hard to avoid a frontal confrontation with the DJP wing as much as possible and instead attempt to solve problems through bargaining or negotiations with President No. This is because Kim Yong-sam feels that if the candidate is to be choson through competition, it would be disadvantageous to him. As for the timing for the selection of the candidate, the current situation is such that it is difficult for him to retreat from his persistent demand that the candidate be chosen before the 14th general election. In the opinions of many observers, the reason is that one of the characteristics of the 14th general election will be the ebbing of the RDP wing's influence. It is for this same reason that Kim Yong-sam argues that "an early domination of the candidate will pave the way for the DLP's victory," "predictable government will prevent the phenomenon of a lame duck president which might appear in the latter period of his term in office," "the general drift indicates that Kim Yong-sam is the only person who will serve as a safety valve for President No after his retirement," and so forth.

Possible Separation of Party and Presidential Powers

The DJP wing is counting on the possibility that a final negotiation will take place with President No at the last moment. That is why the opinion has emerged in the DJP wing recently that there should be separate candidates for the presidency of the republic and the party president. From the standpoint of mitigating fears within the DJP wing, there is the possibility that a plan for separating the presidential candidate from party powers will be used as a trump card in the negotiating process.

The DJP wing, which has been dispersed like grains of sand for lack of a rallying point, is regaining its cohesive power with the "political downfall" of Pak Chol-on and the depoliticizing of Wolgyesuhoe as an impetus. Those DJP heavyweights who in the past were chary of cooperating with Pak Chol-on despite their sharing of the same "anti-Kim Yong-sam line" with him are now closing ranks as a faction with Pak Tae-chun, a member of the DLP Supreme Council, at the center. In fact, it is no exaggeration to say that DJP heavyweight assemblymen, such as Kim Yun-hwan, Yi Han-tong, Yi Chun-ku, and Yi Chong-chan, have engaged in an invisible power struggle against the Pak Chol-on faction. It is a fact that the Pak Chol-on faction has put open pressure on these politicians threatening to "exclude" them from the DLP ticket as official candidates for the 14th general election.

It seems that these politicians have an idea of forming a consultative body of heavyweight assembly members with the DLP secretary general serving as the contact man with the Blue House. They are still counting on the possibility that by closing ranks and putting pressure on Kim Yong-sam, they will be able to wrest a compromise from him at the last moment on the issue of revising the constitution for the cabinet system. With regard to the certainty that Kim Tae-chung will run for the presidential election on the opposition ticket, their political assessment is that it is not essential to put up Kim Yong-sam as the DLP candidate in order that the DLP may win the presidential election. In their opinion, if the DLP can win without Kim Yong-sam even when there is no constitutional revision for the cabinet system, there is no reason whatsoever for the DJP wing to be at his beck and call.

Attention on Moves of TK Group; Kim Yun-hwan Emerges as Linchpin

In connection with the demand of the RDP wing for an early nomination of the presidential candidate before the 14th general election, Secretary General Kim Yun-hwan on 8 April made the significant statement that "if an early nomination gives the DLP an advantage in the general election, it will be worth consideration." Apparently, this statement is based on his confident belief that a showdown with Kim Tae-chung under the direct presidential election system would not necessarily be disadvantageous to the DJP wing. According to the calculation of these DJP-wing heavyweights, they will be able to deal with the two Kims with this kind of self-confidence and wrest from them a compromise by having them agree to the cabinet system. With this calculation, reportedly these DJP-wing politicians also entertain the idea of falling in step with Kim Yong-sam and put up as the candidate a person who can muster the support of the whole DJP wing.

However, it is the unanimous view of observers that inasmuch as the most basic weakness of the DJP wing is the paucity of personages who enjoy nationwide popularity, finding a man capable of mustering the support of the whole DJP wing will not be an easy task.

Another noteworthy aspect of the selection process for the presidential candidate through competition is the moves of the Taegu-Kyongbuk (TK) force. The question is: in what form will the "rule by a regional group" which began under the Pak Chong-hui regime be maintained. The TK force, which used to demonstrate its cohesive power, began to split through the process by which Chong Ho-yong relinquished his National Assembly seat. The TK force has undergone multipolarization with Kim Yun-hwan, Pak Chol-on, Kim Pok-tong, and former Assemblyman Chong Ho-yong as separate axes. Currently, in connection with the question of the next presidential election, a move is afoot within the TK force to set up Kim Pok-tong as its central figure. How this move will develop in the future deserves attention. Nevertheless, it is a matter of concern whether the TK force will be able to rally around Kim Pok-tong, in view of the reaffirmation by President No of the principle of barring his relatives from the presidential election. On the other hand, it is a fact that DLP Secretary General Kim Yun-hwan is emerging as the center of the TK force in the political arena. The question of restoring the cohesive power of the TK force will no doubt become a factor in the competition for the presidential mantle inside the ruling party. This is because the preservation of the TK force's vested interests and success in revising the constitution for the cabinet system are two sides of the same coin.

Reactor Breaks Down 7 Hours at Nuclear Plant

SK0607031291 Seoul YONHAP in English 0253 GMT 6 Jul 91

[Text] Seoul, July 6 (YONHAP)—The 15th accident at a nuclear power station in South Korea this year shut down the Kori No. 2 reactor for seven hours on Friday [5 July].

The Energy and Resources Ministry cut supply to 320 firms between 2 P.M. and 5 P.M. as maximum instant electricity demand soared to 17.36 kilowatts at 11 A.M.

Kori No. 2 broke down at 3:31 A.M. and was repaired at 10:35 A.M., but output was still below normal capacity until 8 P.M.

A cut of more than 20 percent was requested for firms with maximum instant demand of over 5,000 kilowatts and of 500 kilowatts for firms with demand of less than 5,000 kilowatts.

Partial suspension of operations or use of in-house generators was reported by Lotte shopping center, the CHOSON ILBO and Oriental Brewery.

Office temperatures went up to 27 degrees celsius.

Burma

More Burmese Deported From Thailand in Jun

BK0407104491 Rangoon Radio Burma in Burmese 1330 GMT 3 Jul 91

[Text] A total of 440 persons who have entered Thailand illegally have been sent back to Kawthaung in Myanmar [Burma] via Ranong in Thailand during the last week of June. Among those who were deported, 324 were sent back on 21 June, 34 on 23 June, and 82 on 28 June.

It has been learned that the township-level border committee concerned in Thailand contacted the law and order restoration council in Kawthaung and deported the returnees. The returnees were interrogated by authorities from the Township Immigration and Manpower Department, the People's Police Force, and the Defense Services, and were later interrogated by a special team from the Head Office of the Immigration and Manpower Department.

Based on the interrogations, arrangements were made to take legal action against the returnees in accordance with the Immigration and Manpower Act of the Union of Myanmar. It was learned that of the 440 returnees, 371 were male, 61 female, and eight children. It was learned that 185 persons were fined Kyat 1,500 each and 84 persons, who were unable to pay the fine, were each handed a six-months prison term. Meanwhile, 55 children under the age of 12 have been released after given educative talks. Arrangements are being made to take legal action against the remaining persons.

Under a special arrangement made by the Health Department, the returnees were tested for AIDS. Meanwhile, it has been learned that according to interrogations carried out by various teams, the returnees entered Thailand illegally, were not absconding for various reasons, and were not involved with insurgents. They were found to be casual laborers, unemployed, and living as displaced persons in Thailand.

Karen Insurgent Attack Injures Five Students

BK0207143691 Rangoon Radio Burma in Burmese 1330 GMT 2 Jul 91

[Excerpts] Destructive KNU [Karen National Union] insugents have been disrupting local peace and tranquility, attacking homes and schools in villages with light weapons, and causing casualties among students. On the morning of 28 June eight KNU insurgents led by Mya Maung attacked a middle school in Pedet village in Thayetchaung Township, Tenasserim Division with launchers and light weapons, wounding five students who were pursuing their studies peacefully. [passage omitted]

One of the injured students, Maung Htwe Pein, was reported to be in serious condition. Authorities concerned are providing treatment for the injured students. Our military columns are pursuing the insurgents who fled after committing the atrocity of attacking the students who were pursuing their studies peacefully.

Secretary-1 Khin Nyunt Meets Music Artists

BK0507093791 Rangoon Radio Burma in Burmese 1330 GMT 4 Jul 91

[Excerpts] Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], held a meeting with music artists at 1500 today in the New Hall of the Ministry of Defense. Maj. Gen. Khin Nyunt delivered an address at the meeting.

The meeting was attended by Major General Myo Nyunt, chairman of the Yangon [Rangoon] Divison Law and Order Restoration Council and commander of the Yangon Military Command; Brigadier General Myo Thant, director of Signals of the Defense Ministry; Colonel Than Tun, deputy director of the Directorate of Defense Service Intelligence; Lieutenant Colonel Than Nyunt from the Ministry of Home and Religious Affairs; responsible officials from the Office of the Chairman of the SLORC; U Soe Nyunt, member of the SLORC Information Committee and managing director of the News and Periodicals Enterprise; directors generals and managing directors from government departments and enterprises concerned; Sandaya U Hla Tun, chairman of the Myanmar Music Artists Organization, and executive members of the organization; and music artists.

Speaking at the meeting, Maj. Gen. Khin Nyunt said today's meeting was called to discuss the emergence of a consolidated organization composed of members from different strata of the music world. He said that music, theater, and motion picture artists had actively participated in the tasks assigned to them by the state and that they were able to serve as an effective public relations instrument. He cited their participation in the fund raising drive for Meiktila fire victims and said the artists from the music, theater, and motion picture circles had actively participated with goodwill in development programs for border regions and indigenous people. He noted that it is necessary for the the Music Organization, which had had the tradition of participating in constructive endeavors of the state throughout the eras, to be consolidated in its organization. He said is is necessary for the Myanmar Music Organization to lead the various strata of music artists, including popular music artists. He then called on all the music artists to make constructive and concerted efforts toward the emergence of a consolidated music organization. He said the state will provide necessary assistance for this endeavor.

Next, Maj. Gen. Myo Nyunt, chairman of the Yangon Division Law and Order Restoration Council and commander of the Yangon Military Command spoke, calling on the music artists to help implement the motto: Develop the nation with the strength of music and urged various strata of music artists to work for consolidation of the Music Organization. [passage omitted]

In his concluding speech, Maj. Gen. Khin Nyunt noted that the veteran as well as young music artists have openely expressed their feelings. He said today is very unique as the meeting today is aimed at fostering unity among music artists and he called on both the young and the old to coordinate among themselves in working for the emergence of a consolidated and strong music organization. He said in so doing it will be necessary to ensure the participation of artists from the five strata of music—namely, vocalists, composers of music, musicians, recording artists, and producers, and to cover the classical, modern, and popular music.

He said music is an effective public relations instrument and that the public could be organized with the strength of music and that this point should be noted by the artists. He said it will be necessary for the well recognized artists to go along on their respective path correctly. He said in moving along with the current trend history should not be forgotten. He said it is essential to look at both the current trend as well as the background history. [passage omitted]

He said patriotism is indispensible for the Union of Myanmar and recalled how patriotism helped obtain the country's independence. He called on the music artists to help promote patriotism. He said a country which has lost its culture could lose its independence and that it is the responsibility of the artists to ensure foreign culture does not dominate. He called on them to uphold the three major tasks, foster patriotism, and cooperate closely among themselves.

After the meeting ended at 1750 the secretary-1 warmly greeted the music artists.

Brunei, Malaysia & Singapore

Malaysia

Mahathir on Latin America Visit, South Trade

BK0607081091 Kuala Lumpur Voice of Malaysia in English 0600 GMT 6 Jul 91

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed has told the Malaysian businessmen that they must not underestimate the market potential of the South Pacific countries. He advised them to sell to the island nations quality goods. He noted that the delicacy and a host of sauces were featured during the recent Malaysia Week in Fiji when Malaysia was portrayed as a country with many industries.

The volume of trade in countries of the South Pacific, particularly Fiji, is in the region of US$1,000 million. Datuk Sri Dr. Mahathir told reporters this in Kuala Lumpur on his return from a three-week visit to Chile, Brazil, and Argentina. The prime minister and his delegation had stopped over in Fiji on the return journey. He said an in-depth study would be carried out on aviation and shipping between Malaysia and the South Pacific countries concerned. He also said that Fiji had agreed to a Malaysian proposal for the island state to be used as a stopover for Malaysia Airlines, MAS. It has agreed for fifth freedom flights which will allow for passengers to be carried from Fiji to South America and Kuala Lumpur. Malaysia plans to use Fiji as a center for distribution of Malaysian goods to the island nations of the South Pacific. Fiji could serve as a collection center for Malaysian goods for distribution to countries such as Tonga, Samoa, and Vanuatu. In addition, the Malaysian International Shipping Corporation will assist the shipping sector in Fiji to undertake a study on providing vessels to ferry goods from Malaysia to Fiji and other countries in the South Pacific.

The prime minister also said Malaysia planned to set up a depot in Valparaiso, Chile for distribution of Malaysian goods to countries in South America. The feasability study on the depot has been carried out. The depot will also serve as the center for goods from South American countries bound for Malaysia. Datuk Sri Dr. Mahathir said a similar depot would also be set up in Subang for goods from South America for distribution in Malaysia or countries in the region. He said countries in South America were generally very interested in having close ties with Malaysia in aviation and shipping. They also supported Malaysia's stand on various issues including the environment and its view on world free trade. He said there was potential for air and sea cargo services between Malaysia and the countries concerned.

The prime minister went on to say that during his discussions with leaders of Chile, Brazil, and Argentina they did not oppose Malaysia's proposal for the setting up of an East Asia Enonomic Group. Argentina, Uruguay, Paraguay, and Brazil belong to a regional grouping called Mercusol.

Transport Minister Datuk Sri Dr. Ling Liong Sik, who was present at the news conference, said Chile had agreed to grant Malaysia third and fourth freedom flights out of that country. He added that efforts are being made to obtain landing rights for MAS in Argentina.

Meanwhile, International Trade and Industry Minister Datuk Sri Rafidah Aziz said nine trade agreements were signed between Malaysian businessmen and their South American counterparts during the visit. Three agreements were signed with Chile, four with Brazil, and two with Argentina. She said Malaysia has also signed two agreements with Argentina, one pertaining to investments and the other on avoidance of double taxation.

Statistics Department on Widened Trade Deficit

BK0507113691 Kuala Lumpur BERNAMA in English 1012 GMT 5 Jul 91

[Text] Kuala Lumpur, July 5 (OANA-BERNAMA)—Malaysia's trade deficit widened to $1,640.8 million (US$1 = Malaysian $2.7) in April, bringing the deficit for the first four months of the year to $3,425.9 million, against a surplus of $786.3 million in the same period of last year, the Statistics Department said here.

The department added in its monthly external trade report released here Friday that the deficit in April was about 30.3 percent higher than the March deficit of $1,143.7 million and compared with a surplus of $84.2 million in April, last year.

It said the deterioration in the balance of trade was mainly caused by the continued higher growth in imports compared with exports. Total exports in the four months rose

19.9 percent to $28,166.3 million from $23,486.74 million in the same period last year but imports rose 39.2 percent to $31,592.2 million from $22,700.45 million previously.

For April alone, exports declined 14.6 percent to $6,549.1 million from $7,667.9 million in March while imports fell 7.1 percent to $8,189.9 million from $8,811.6 million respectively. Imports and exports in April last year were $5,560.26 million and $5,644.44 million respectively.

The department said the higher growth in imports was largely caused by the rise in imports of capital equipment and intermediate goods. Imports of machinery and transport equipment grew by 43.1 percent and of manufactured goods by 46.4 percent.

These two components accounted for more than 67 percent of total imports for the four-month period, it added.

Imports of machinery and transport equipment remained the largest import expenditure, totalling $16,124.3 million, or 51 percent of the total value of imports while imports of manufactured goods totalled $5,120.3 million, or 16.2 percent of total imports.

Other major import components were chemicals ($2,463.9 million or 7.8 per cent of total imports), miscellaneous manufactured articles ($1,697.4 million, 5.4 percent) and food ($1,668.4 million, 5.3 percent).

Among exports, the department said machinery and transport equipment, with export earnings valued at $10,769.3 million or 38.2 percent of total exports for the period, continued to be the leading foreign exchange earner.

Malaysia's major trading partners continued to be Japan, Singapore, the United States, Britain, South Korea, and Taiwan, which together accounted for 67 percent of the value of total trade.

Over the first four months of the year, the department said, major surpluses were achieved in trade with Singapore ($1,492.9 million), South Korea ($346 million), the Netherlands ($334.3 million), Thailand ($206.5 million), the Philippines ($138 million), and Belgium ($122.9 million).

However, large deficits were suffered in trade with Japan ($2,981.5 million), Taiwan ($888.7 million), the United States ($638.6 million), Australia ($589.9 million), Britain ($446.5 million), China ($250.2 million), and Indonesia ($187.3 million).

Official Border Protest To Be Sent to Thailand

BK0607092091 Kuala Lumpur Voice of Malaysia in English 0800 GMT 6 Jul 91

[Text] Malaysia will send an official protest to Thailand over last Sunday's border intrusion by Thai security personnel who also seized goods from Malaysian traders in Padang Besar. Foreign Minister Datuk Abdullah Ahmad Badawi pointed out that what the Thai officers did was improper. He told reporters this at the Kuala Lumpur International Airport on his return with the prime minister's entourage from an official visit to three Latin American countries.

Datuk Abdullah said the Thai officers should have informed the Malaysian police first before taking any action. He regretted that the Thai officers came to enforce their laws on Malaysians in the Malaysian territory. Some of the stalls they raided were built by the Perlis government.

Thai Leader Says Border Issue Local Incident

BK0507160691 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 5 Jul 91

[Text] The Thai Government believes that the reported intrusion of its armed enforcement officers into a market in Padang Besar last Sunday when they tried to foil a smuggling attempt is a local incident. Therefore, the issue will be solved by local officers.

Speaking at a press conference in Kuala Lumpur, Thai Supreme Commander General Sunthon Khongsomphong described the incident as a small issue that would not strain relations between Thailand and Malaysia. It is not necessary for the Malaysia-Thailand Joint Border Committee to discuss the issue. The Thai military leader and Defense Minister Datuk Sri Najib Tun Razak are joint chairmen of the Joint Border Committee. Gen. Sunthon has also instructed Thai authorities to carry out a detailed investigation on the incident.

Minister Proposes Forum With EAEG, NAFTA

BK0807065891 Kuala Lumpur Voice of Malaysia in English 0600 GMT 8 Jul 91

[Text] Malaysia today proposed that Asia-Pacific Economic Cooperation, APEC, serve as a forum between the East Asia Economic Grouping, EAEG, and the North American Free Trade Arrangement, NAFTA. The minister of foreign affairs, Datuk Abdullah Ahmad Badawi, says members of the EAEG in East Pacific and NAFTA in the west can make use of APEC as a forum to discuss common issues and international trade matters. He says Japan is receptive to the proposed EAEG.

He said this to newsmen after a delegation of five Japanese MP's [members of parliament] led by Mr. Mutsuki Kato, chairman of the Policy Research Council of the Liberal Democratic Party, called on him in Kuala Lumpur. Datuk Abdullah said Japan should not worry about U.S. reprisals in joining the EAEG since it is also not a member of NAFTA.

He reiterates that the proposed EAEG is not intended to oppose other regional groupings but will merely serve as a consultative forum for member countries in the region.

Party Seats Declared Vacant by State Assembly

BK0607132291 Kuala Lumpur NEW STRAITS TIMES in English 4 Jul 91 p 1

[By Manisah Ismail]

[Excerpt] Kota Baru, Wed.—The Kelantan State Assembly declared vacant today the Sungai Pinang and Limbongan State seats held by Barisan Nasional Assemblymen Haji Nordin Salleh and Haji Wan Mohamed Najib Wan Mohamed respectively.

The move was made in accordance with an April amendment of the State Constitution which provides for a seat to be declared vacant if an Assemblyman ceases to be a member of the party under whose ticket he was elected.

The two motions to remove the only representatives of the Barisan Nasional [National Front] in the 39-seat State Assembly were moved and seconded by Parti Semangat 46 [S46] Assemblymen. The declaration is effective from today.

The motion against Limbongan Assemblyman Haji Wan Najib was moved by Datuk Nik Man Nik Mohamed (S46-Geting) and seconded by Ahmad Rusli Ibrahim (S46-Salor) while the one against Haji Nordin was moved by Haji Zainuddin Haji Mohamed Noor (S46-Tendong) and seconded by Nik Mustapha Nik Loding (S46-Gual Periuk).

Except for the abstentions by Menteri Besar [Chief Minister] Haji Nik Abdul Aziz Nik Mat, the two Deputy Menteris Besar—Haji Rozali Isohak and Haji Abdul Halim Abdul Rahman, and State Executive Councillors, the other members of the Assembly voted for the motions.

PAS [Pan Malaysian Islamic Party] has 25 Assemblymen in the House, Semangat 46 has 11 and Barjasa one. Only Haji Zainuddin and the two affected Assemblymen took part in the debate.

The House was told that Haji Nordin and Haji Wan Najib had contested the October general election on Semangat 46 tickets and had recently switched to UMNO [United Malays National Organization].

By doing so, the two had violated article 31 which was amended in April with retrospective effect.

At the beginning of the sitting today, Haji Wan Najib and Haji Nordin were moved to the "Opposition block".

Speaker Haji Omar Mohamad said he decided on the new seating arrangement based on two letters he received from Kelantan Semangat 46 liaison committee chief Haji Rozali and UMNO secretary-general Datuk Mohamed Rahmat.

Speaking for the motions, Haji Zainuddin said it was only appropriate that the two Assemblymen vacate their seats because the people elected them on the basis of the party they represented.

Once they withdrew from the party, it was only right that the people be given a fresh mandate to decide on their representatives.

Haji Zainuddin said based on the letter sent by the UMNO secretary-general to the State Assembly requesting that the Sungai Pinang and Limbongan State Assemblymen be seated separately, it was clear that they had joined UMNO.

He said Press reports also quoted Haji Wan Najib as saying that he had resigned from all Semangat 46 posts and was quitting the party to join UMNO.

Haji Wan Najib said the move to allow the motion contravened an injunction issued by the Kuala Lumpur High Court on May 10 which prohibited anyone from discussing or taking any action which would result in him and Haji Nordin losing their seats until their positions in the Assembly and membership in Semangat 46 were determined by the High Court. [passage omitted]

Minister on Fight Against Anti-Logging Campaign

BK0707070591 Kuala Lumpur Voice of Malaysia in English 0600 GMT 7 Jul 91

[Text] Malaysia will fight any attempts by the developed countries to use next year's session of the United Nations Conference on Trade and Development, UNCTAD, for their antilogging campaign. Primary Industries Minister Datuk Sri Dr. Lim Keng Yaik said Malaysia would not allow the forum to be hijacked by Western environmentalists.

He said the developed countries which had depleted their forests should do their part to reafforest, while developing countries should try to do sustained logging. The minister was speaking to reporters on his return to Kuala Lumpur with the prime minister's delegation from a three-week visit to Chile, Brazil, and Argentina.

Datuk Sri Dr. Lim said during the visit he urged Brazil, a major tin producer, to apply to join the Association of Tin Producing Countries. Malaysia is the world's largest producer of tin.

Cambodia

Chea Sim Wants Ties Normalization With PRC

OW0707064291 Tokyo KYODO in English 0601 GMT 7 Jul 91

[Text] Bangkok, July 7 KYODO—Cambodia wants to normalize its relations with China, Cambodia's National Assembly Chairman Chea Sim said in a Radio Hanoi report Saturday.

The report, monitored in Bangkok on Saturday night, said the chairman made the call in a recent rally in Phnom Penh. It said he also called on the Chinese Government to make further efforts for a political settlement of the Cambodian issue.

Analysts said it is the first time the Vietnamese-backed Heng Samrin government has expressed its wish to normalize ties with China.

China has been a main supporter of the Khmer Rouge, one of three Cambodian resistance groups fighting the Phnom Penh government. The group was toppled during a 1978 invasion by Vietnamese forces following a four-year rule.

Cambodian Prime Minister Hun Sen will visit China for the first time July 15-16 to attend informal Cambodian peace talks in Beijing with representatives of the Supreme National Council (SNC). The SNC is a body for national reconciliation that includes all four warring Cambodian factions.

The Beijing meeting is regarded as paving the way for a full formal session of the SNC scheduled for August in Bangkok to discuss a UN peace plan.

Meanwhile, Cambodian Foreign Minister Hon Namhong said Saturday the SNC will govern Cambodia only during a transitional period to last from a ceasefire until general elections are held.

Hon made the remarks in an interview with Cambodia's state-run SPK NEWS AGENCY.

Hor Namhong 3 Jul Interview With BBC

BK0507144591 Phnom Penh SPK in English 1109 GMT 5 Jul 91

[All quotation marks as received]

[Text] Phnom Penh SPK July 5—Foreign Minister Hor Namhong granted interviews here Wednesday to [name indistinct], correspondent of the BRITISH BROADCASTING CORPORATION, and Mr. Nicolas Cumming Bruce of "THE GUARDIAN", on developments around the recent meeting of the Supreme National Council in Phatthaya, Thailand.

Asked if the fine outcome reached at the Phatthaya meeting implied a move away from an overall political solution drafted by the Big Five, the chief of the Cambodian diplomacy said:

"About this matter, we should ask ourselves if we want an end to the war and peace for the Cambodian people, or a deadlock. Of course, the P-5 peace plan is a package which cannot be cut into pieces, and the Phnom Penh government does not want to chop it either. The Phatthaya meeting owed its success to Prince Norodom Sihanouk's five-point peace plan which brought the peace negotiations back on the right track in the interests of peace and an overall political solution to the Cambodian problem. [word indistinct] ways to restore peace [words indistinct] slightly different from the P-5 [words indistinct], but the common goal is the same, which is peace. Until now, we are still facing the question of whether we must go ahead or stand still, and if all the Cambodian parties reconcile themselves to march forward, then should anyone attempt to keep them from moving forward? Many countries have so far applauded the outcome of the Phatthaya meeting."

Asked what is the reason which made the Khmer Rouge adopt a flexible attitude at the Phatthaya meeting, the possibility of the Khmer Rouge's isolation or assessment by some countries that the (?Khmer Rouge) threat is not great, or anything else, Foreign Minister Hor Namhong said: "The Khmer Rouge can never gain victory through military means. [word indistinct] they must consider this issue.

For its part, the Phnom Penh government does not rule out the Khmer Rouge, but we'd rather welcome the Khmer Rouge's concession to clear the way to peace. Well, the flexible attitude of the [words indistinct] is certainly not without cause."

On the reason why the venue of the next SNC meeting will be either Pyongyang or Beijing, the minister said:

"We'll travel to Pyongyang as guests of Prince Sihanouk and won't discuss any problem, whereas in Beijing it will be an informal meeting of the SNC. We will exchange our views in preparation for the SNC meeting in Bangkok in August. And of course, we shall have a number of problems to discuss such as: the supervision of the cease-fire, and of an end to outside military aid to all Khmer factions, the supply of aid for the national rehabilitation, and we will probably discuss the U.N. peace plan.

On whether the Phatthaya meeting's outcome is a breakthrough in conception and what is its importance when the U.N. peace plan is not materialized yet? [sentence as received] Mr. Hor Namhong said:

"The outcome of the Phatthaya meeting was a success in essence but not in conception. The voluntary cease-fire, the cessation of foreign military aid and the setting up of the SNC headquarters in Phnom Penh create mutual confidence. The atmosphere [words indistinct] Phatthaya meeting was different from the previous ones in that all the SNC members were more sincere than before. In this regard, we accelerated the talks so as to solve the remaining problems with optimism.

On the problem of genocide and the attitude of the Khmer Rouges during the talks, he said: "Even though in Jakarta, we did not achieve any concrete result, there was a mutual understanding on this point. With regard to the problem of genocide, we don't raise the question as a primary condition for discussion, that is why, we accepted Khieu Samphan and Son Sen [words indistinct] national council. So, this problem should be divided into two:

1—[words indistinct] in favour of the peace process;

2—The Khmer Rouge ringleaders should be tried at an appropriate time in conformity with the United Nations convention on punishment of genocide. We could not accept the Khmer Rouge [words indistinct] general elections.

With regard to the Khmer Rouges violations of the ceasefire after the Phatthaya meeting, the foreign minister said: "On June 29, the Khmer Rouges fired artillery shells into a war refugee camp in Kompong Speu Province (?when) some nongovernmental organizations were there, and most recently, on July 1, the Khmer Rouges launched a large-scale offensive against the government positions at points 27, 66, 27, 62 and 27.60 of Division 94 about [words indistinct] 10 in Battambang Province.

In that offensive, the Khmer Rouges used tanks and artillery guns. Taken unaware at first, the Phnom Penh forces were withdrawn to [words indistinct]. The enemy's violations of the cease-fire compelled the government armed forces to fight back and recapture those positions. On this occasion, we call on the other parties to strictly observe the ceasefire as agreed upon in Phatthaya, Thailand, in order to smooth the way towards peace."

"First, [we] want to set up a coordinating mission; second, we will discuss in the future how the United Nations helps to stop the violations; and the third, we call for the setting up of a mixed military commission of the SNC," Hor Namhong said in conclusion.

Hor Namhong Interviewed by SPK Correspondent

BK0507135191 Phnom Penh SPK in French 1133 GMT 5 Jul 91

[All quotation marks as received]

[Text] Phnom Penh 5 Jul (SPK)—Foreign Minister Hor Namhong today granted an interview to our news agency correspondent. Here are the questions and answers:

Question 1: There was a unanimous agreement on a cease-fire in Phatthaya. Recently however, there were violations by the Democratic Kampuchea party. How can one envisage a UN control of the cease-fire?

[Words indistinct] I would like to make it very clear about the cease-fire control by the United Nations because often there are misunderstandings about this.

We are always in favor of a faithful implementation of the cease-fire [words indistinct]. It is for this reason that we proposed in Phatthaya the establishment of a military commission of the Supreme National Council (SNC) comprising all parties and the acceptance of the UN mission of "good offices" which would at least limit violations and confrontations. This is because according to the explanations of the UN Secretary General's representative, in the current circumstances, the United Nations can send only a mission of [words indistinct] and not carry out a formal control of the cease-fire because the cease-fire achieved in Phatthaya was a voluntary one among Cambodian parties.

The United Nations can formally supervise the cease-fire only after the signing of a comprehensive agreement on the Cambodian problem.

However, this proposal on sending a mission of "good offices" of the United Nations was not accepted by representatives of Democratic Kampuchea during the SNC meeting in Phatthaya.

Question 2: Can you tell us about the SNC meeting with representatives of the UN Security Council [UNSC] permanent members in Beijing?

Answer: In Phatthaya, it was decided that the meeting in Beijing would be an unofficial meeting of the SNC to informally exchange views on the official SNC meeting in Bangkok in August.

The meeting with the representatives of the UNSC permanent members was neither raised nor decided [words indistinct] (?we) would be only three in Beijing among the Phnom Penh SNC members. We cannot talk on behalf of other members who (?could) not be present in Beijing, having been tied up by already fixed arrangements.

In these conditions, frankly, I still do not know how and under what form this meeting with representatives of the UNSC permanent members would take place. We have not been contacted by either the cochairmen of the Paris International Conference on Cambodia (PICC) or the UNSC permanent members.

We are still waiting for clarification on this matter.

Question 3: Is the SNC de facto government of Cambodia?

Answer: Although representing Cambodia's sovereignty during the [words indistinct] period, a new government resulting from general elections having its office in Phnom Penh and its own flag and anthem, the SNC has neither the legal basis nor the institutional character of a government [words indistinct].

In Phatthaya, it was unequivocally decided that the two existing governments continue to administer their respective zones. Therefore, the State of Cambodia's government, from Phnom Penh—the country's capital—continues to effectively run the country's affairs on over 90 percent of the territory, until a new government is named after the general elections, with our own flag and national anthem.

There should be no misunderstanding on this subject. The SNC with an office in Phnom Penh represents Cambodia's sovereignty internationally. However the Cambodian Government governs the country.

Minister Says SNC Would Not Act as Government

BK0507125491 Hong Kong AFP in English 1232 GMT 5 Jul 91

[Text] Phnom Penh, July 5 (AFP)—Phnom Penh Foreign Minister Hor Namhong has dismissed Khmer Rouge claims that the Supreme National Council (SNC) would act as the country's government, saying it would only represent Cambodian sovereignty on the international front.

The official, in an interview with the national news agency SPK seen here Friday, also stated that the United Nations could not immediately supervise the permanent ceasefire agreed by Phnom Penh and the three resistance factions in Cambodia at a watershed meeting in Thailand last month.

The minister's remarks followed his charges of serious Khmer Rouge violations Monday of the ceasefire in the western province of Battambang, and a statement by the Marxist resistance group that the Phnom Penh government had been abolished as a result of last month's agreement to set up a SNC headquarters in Phnom Penh.

The rival sides also agreed at a formal SNC meeting in Phatthaya, Thailand late last month to a permanent ceasefire and an end of foreign military aid to the factions.

Mr. Hor Namhong told SPK that the SNC would represent Cambodian sovereignty in the transition period to general elections but "has no legal base and no instutional character of a government—even 'de facto'—of Cambodia."

He added that the rivals had agreed "without equivocation" at Phatthaya that the Phnom Penh and resistance alliance governments would continue to administer areas under their respective control.

He said this meant Phnom Penh would effectively run 90 per cent of the country until elections were held.

"There must not be any misunderstanding on this point," he said, adding that the SNC office in Phnom Penh would represent Cambodia "on the international front" while his government ruled the country.

Mr. Hor Namhong also reiterated Phnom Penh's support for an SNC "military coordinating committee" and setting up of a U.N. "good offices" mission to help "at least limit (ceasefire) violations and confrontations."

He stressed that Phnom Penh backed full implementation of the truce and U.N. control of the ceasefire.

But he added, citing explanations by the U.N. secretary general, that under current circumstances the world body could only send a good offices mission and not carry out formal supervision.

This was because the truce pact was a voluntary one entered into by the four warring sides.

Mr. Hor Namhong said formal U.N. supervision could only come on the signing of a comprehensive settlement to the 12-year Cambodian conflict.

The minister said the Khmer Rouge had rejected sending a U.N. good offices mission and observers noted that the Khmer Rouge wanted full implementation of a U.N. peace plan for Cambodia that Phnom Penh has said should be amended.

The Cambodians are due to meet again for an informal meeting July 16-17 in China, main backer of the Khmer Rouge.

The issue was expected to be raised again in Beijing.

SPK Quotes AFP on Meetings in Paris, Beijing

BK0507150991 Phnom Penh SPK in English 1105 GMT 5 Jul 91

[Text] Phnom Penh SPK July 5—A meeting of the five permanent members of the U.N. Security Council and of copresidents of the Paris Conference on Cambodia, due in Paris early next week will "probably be postponed", AFP quoted informed sources as saying Thursday [4 July].

The meeting was to have been held on Monday and Tuesday. Sources would not rule out that senior officials and a representative of United Nations Secretary General Javier Perez De Cuellar will gather in Beijing after a Supreme National Council (SNC) meeting to be hosted by China on July 16-17.

The SNC includes Cambodian Prime Minister Hun Sen and the leaders of the three opposition factions, including the strongest, the Beijing-backed Khmer Rouge.

France, which co-chairs the Paris Conference with Indonesia, was not opposed to a Beijing meeting, sources said, adding that talks were under way to overcome lingering opposition by the United States.

The United States, China, the Soviet Union, France and Britain hold regular meetings to discuss a U.N. peace plan for Cambodia.

Under the plan, a U.N. transitional authority is to assume the main responsibilities of governing Cambodia [words indistinct] general elections.

China's announcement earlier Thursday that it would host a meeting of Cambodia's sovereign body later this month appeared to signal a switch in its long-standing policy on Cambodia, which has been to assist the resistance in its fight against Phnom Penh's governement.

The SNC met late last month in Thailand and decided on a permanent cease-fire to Cambodia's 12-year war, an end to foreign military aid and the setting up [of] the council's headquarters in Phnom Penh.

London Trip by Tie Banh Likely To Be Halted

BK0607134291 Hong Kong AFP in English 1334 GMT 6 Jul 91

[Text] Phnom Penh, July 5 (AFP)—Cambodian Defence Minister Tie Banh left here Saturday for Vietnam en route to give evidence in a London libel suit settled a day earlier, officials said.

General Tie Banh and deputy minister attached to the Council of Ministers Uch Kim an went to southern Vietnan's Ho Chi Minh City, the officials said, adding that the two men would likely be told the news by cable and asked to come home.

Phnom Penh has a consulate in Ho Chi Minh City.

The action over the film, "Cambodia: The Betrayal," was settled on the third day of the high court case brought by two men against Australian journalist Jon Pilger and central television.

The defendants paid Christopher Geidt and Anthony de Normann substantial damages over the film, which they said accused them of training Khmer Rouge guerrillas to lay mines.

Gen. Tie Banh was to have given evidence at the case on behalf of Mr. Pilger and Central Television, while Mr. Uch Kim An often acts as an interpreter with his fluent English.

Mr. Uch Kim An said Friday that the men might also take the opportunity of meeting with British officials in London.

The British Government does not officially recognise any sides in the Cambodian conflict, pitting Phnom Penh against three guerrilla factions including the Khmer Rouge.

It said last month that it had provided military training to the two non-communist factions in the 1980s.

Mr. Uch Kim An and British Foreign Office Southeast Asia Departmental Chief David Colvin opened political contacts December in Paris between the London and Phnom Penh Governments. Britain is one of the permanent members of the U.N. Security Council whose peace plan is being used as a basis for negotiation between the rival sides.

PRC To Respect Outcome of SNC Meeting

BK0807021291 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 7 Jul 91

[Text] Chinese Head of State Yang Shangkun said during a 3 July meeting with Samdech Norodom Sihanouk, that

China always respects the outcome of the Supreme National Council [SNC] meeting in Phatthaya that all Cambodian factions had reached. He also expressed warm congratulations for the agreements reached during the Phatthaya meeting under the chairmanship of Samdech Norodom Sihanouk and spoke highly of the important role played by the samdech during the meeting with his prestige and wisdom. He said that the samdech had played an important role, thus enabling the Phatthaya meeting to achieve fruitful results. He also hailed the spirit of reconciliation and consultation that was adopted by all Cambodian parties during the meeting.

He expressed the hope that all Cambodian parties under the samdech's leadership would conform to the historical trend, reconcile the nation, and implement the agreements reached at the Phatthaya meeting in order to quickly settle the Vietnamese war of aggression in Cambodia through comprehensive, fair, and reasonable political means.

PDK Rejects Cease-Fire Charge by Phnom Penh

BK0607012691 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 5 Jul 91

[Unsigned statement by the Party of Democratic Kampuchea; date not given—read by announcer]

[Text] So-and-so Hor Nam Hong of the Phnom Penh side has made the slanderous accusation that the Party of Democratic Kampuchea [PDK] has broken the cease-fire on the Route-10 battlefield, Battambang Province. The PDK categorically rejects this nonsensical charge.

The Hanoi Vietnamese aggressors have maneuvered to make the accusation for the purpose of destroying the outcome of the Supreme National Council [SNC] meeting in Phatthaya, Thailand. Vietnam's intent to ruin the Phatthaya outcome designed to perpetuate the war of aggression and occupation of Cambodia in accordance with its Indochinese federation policy and strategy.

The PDK has no reason whatsoever to affect the outcome of the Phatthaya meeting. At the SNC meeting in Phatthaya, the PDK jointly conducted discussions with a constructive spirit of national reconciliation, harmony, and compromise in order to arrive at an early settlement. It was the PDK that put forward the proposal on UN supervision and control with a view to ensuring an effective cease-fire and termination of outside aid. The world has already unequivocally seen the PDK's goodwill in this.

VODK Insists on UN Control Over Peace

BK0607061091 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 4 Jul 91

[Station commentary: "It is necessary to have strict UN supervision and control over all kinds of issues, especially over the withdrawal of Vietnamese forces, the cease-fire, and the cessation of outside military aid"]

[Text] Since the Supreme National Council [SNC] meeting in Phatthaya, Thailand, people have clearly seen that the Cambodian problem has entered a new phase toward more definitely achieving a comprehensive political solution. The SNC, representing the four Cambodian parties, has jointly endorsed a number of points, including Samdech Norodom Sihanouk as chairman of each meeting, to further discuss a way to settle the problem via a comprehensive political solution at the earliest date, and the decisions on the cease-fire and cessation of outside arms supplies.

The Cambodian people, as well as the international community, have enthusiastically welcomed the sublime outcome and hoped that Cambodia will regain peace, independence, sovereignty, territorial integrity, achieve a genuine national reconciliation, and that the Cambodian people will actually enjoy their rights to self-determination. However, now the question is one of how the already accepted agreements can be implemented justly and correctly.

The Cambodian people are of the opinion that the key issues, such as the withdrawal of Vietnamese aggressor forces from Cambodia, a cease-fire, and the cessation of foreign military aid, should be strictly and adequately supervised and controlled by the United Nations. Without effective UN supervision and control, Vietnam will continue to hide its invading forces in Cambodia, both military and civilian, which are disguised and incorporated in the Phnom Penh party to further rule over and occupy Cambodia. As a result, the war of aggression against the country will continue. Moreover, if there is no UN force with sufficient manpower and facilities to exert strict, effective supervision and control in Cambodia, the Vietnamese—who have an over 900-kilometer common border with Cambodia—will be able to continue shipping from Vietnam as many fresh troops, armaments, and ammunition as they desire to the country at will, at all times, and through all routes.

The concrete situation on the battlefield clearly shows that the Vietnamese have endlessly shipped fresh troops from Vietnam to Cambodia. Especially during the over one-month period from 1 May to 4 June, since the temporary cease-fire was launched by the UN secretary general and the co-chairmen of the Paris International Conference on Cambodia, the Vietnamese sent over 8,000 fresh Vietnamese troops to Cambodia. During the implementation of the temporary cease-fire, the Vietnamese and Phnom Penh side has never respected the cease-fire. They have instead concentrated their efforts to muster troops in order to ceaselessly mount offensives on zones liberated by the Cambodian national resistance forces. That being the case, without strict UN supervision and control, nothing can ensure effective implementation of the cease-fire and cessation of arms supplies, as well as the genuine withdrawal of Vietnamese troops.

By all means, in implementing the agreements on a political settlement of the Cambodian problem, it is necessary to have a strong UN force consisting of 500 to 700 or up to 10,000 staff—the last number is the best—to effectively exert global supervision and control, specifically over the withdrawal of Vietnamese forces from Cambodia, the cease-fire, the ending of outside military aid, and so on.

Actually, the Phnom Penh side has no reason whatsoever to block the UN supervision and control so it can further hide Vietnamese forces in Cambodia. If Vietnam and the Phnom Penh side sincerely want to settle the Cambodian problem politically, they should show their concrete attitudes by accepting overall UN supervision and control in the process of settling the Cambodian problem via a comprehensive political solution. The strict supervision and control by the UN force is vitally important for Cambodia to recover genuine peace, security, and independence and achieve national reconciliation without defamation, thereby organizing truly free, just, democratic elections in Cambodia and achieving a definite comprehensive political settlement for the Cambodian problem.

VOK Report on Planned SNC Meeting in Beijing

BK0607082491 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 6 Jul 91

[Text] The meeting between the UN Security Council [UNSC] five permanent members and the cochairmen of the Paris International Conference on Cambodia [PICC], planned to be held in Paris, France, next week will be postponed until the middle of July.

Diplomats in Bangkok, Thailand, yesterday confirmed that the meeting of the five major powers—UNSC permanent members—will be moved from Paris to Beijing, China. Chinese diplomats said that all members of the UNSC five permanent members, except the Soviet Union, have officially agreed to France's proposal. France is one of the countries among the UNSC permanent members who, along with Indonesia, cochair the PICC. The United States, the Soviet Union, China, France, and Britain are due to meet on Monday [date not given] and Tuesday to discuss the UN peace plan for Cambodia and the agreement reached in Phatthaya, Thailand, last week by the 12 members of the Cambodian Supreme National Council [SNC], which represents Cambodia.

The sources did not rule out the possibility of a meeting of high-ranking officials of the UNSC five permanent members and the PICC cochairmen with the Cambodian SNC. As planned earlier in Beijing, the five major powers are expected to send representatives to the meeting in Beijing on 18 and 19 July and at the same time will unofficially meet with the Cambodian SNC to discuss issues relating to the UN role.

The meeting of the Cambodian SNC in Beijing will be attended by all representatives from the resistance movement—who are members of the SNC—while on the Vietnamese-backed Phnom Penh side, only Hun Sen and Hor Namhong would attend the unofficial meeting of the Cambodian SNC.

China on Thursday [4 July] issued a statement saying that China will host a meeting of the Cambodian SNC, and possibly a meeting of the UNSC five permanent members.

Khieu Samphan on Results of SNC Meeting

BK0807041991 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 7 Jul 91

["Statement of His Excellency Khieu Samphan, informing compatriots on the outcome of the meeting of the Supreme National Council in Phatthaya"—dated 7 July; read by announcer]

[Text] Esteemed and beloved compatriots; esteemed and beloved male and female combatants and cadres of the National Army of Democratic Kampuchea:

From 24 to 26 June, the Cambodian Supreme National Council [SNC] held a solemn and official meeting in Phatthaya City, Thailand, under the very distinguished chairmanship of Samdech Norodom Sihanouk, with the participation of the representatives of the Paris International Conference on Cambodia [PICC] cochairmen and a representative of the UN secretary general.

Through discussions held in a spirit of national reconciliation and compromise, and a desire to do everything to quickly resolve the Cambodian problem, the four Cambodian factions in the SNC reached agreements on 10 problems—as has already been publicized through the Voice of the National Army of Democratic Kampuchea and the Voice of Democratic Kampuchea radios. Now, I would like just to emphasize the important points that were unanimously agreed upon, as follows:

1. The SNC unanimously agreed to grant to Samdech Norodom Sihanouk the task of presiding over and convoking future SNC meetings.

2. The SNC unanimously agreed to adopt the flag and anthem of Cambodia's SNC.

3. The SNC unanimously agreed to set up the SNC headquarters in Phnom Penh with the following facilities and guarantees:

A. Members of the SNC from each party shall have their own residence protected by that party's forces. These forces shall ensure the security within the compound of their residence, while the forces of the host party ensure the security outside the compound.

B. The representatives of the two PICC cochairmen shall have their permanent missions accredited to the SNC.

C. The envoy of the UN secretary general shall have his own permanent mission accredited to the SNC.

D. The representatives of countries participating in the PICC, or the representatives of the five permanent members of the UN Security Council [UNSC], as well as the representatives of the ASEAN [Association of Southeast Asian Nations] countries, shall have their permanent missions accredited to the SNC.

4. The SNC unanimously agreed on a cease-fire and the cessation of foreign military aid. This cease-fire and cessation of military aid must be under the UN control. The modalities of UN control will be discussed during the course of further SNC sessions.

These are great results achieved by our SNC under the chairmanship of Samdech Norodom Sihanouk during the recent meeting in Phatthaya City and are of historical significance to our Cambodian nation.

The SNC has begun its function as the top state body representing Cambodia at home and abroad in all its sovereignty. It is recognized by the United Nations and the other international organizations of the world. Many friendly countries have been prepared to set up offices of their missions or embassies accredited to the SNC in Phnom Penh. For the coming 46th UN General Assembly in September, the SNC has decided to send its delegation, headed by Samdech Norodom Sihanouk.

Moreover, national reconciliation is now taking shape through the SNC with Samdech Norodom Sihanouk as its head.

Our entire nation and people welcome and are very happy with this great result. Friends across the world have also acclaimed and expressed their joy over the outcome of the SNC meeting in Phatthaya, and are waiting to welcome the SNC delegation to the coming UN General Assembly.

The Democratic Kampuchea [DK] side, together with our Cambodian nation, all of our people, and all friends across the world, is also overjoyed at this great result. We will respect and implement all these decisions of the SNC headed by the samdech.

Now, we have taken a big step towards a settlement. We will continue uniting around the SNC headed by Samdech Norodom Sihanouk and strive to solve other problems so that our Cambodia will become an independent, sovereign, peaceful, neutral, and nonaligned country with its own territorial integrity and with our Cambodian people enjoying their genuine right to self-determination.

All of us joyfully welcome and respect the SNC headed by Samdech Norodom Sihanouk. We will continue uniting around the SNC headed by Samdech Norodom Sihanouk in order to reach national reconciliation, to unify and harmonize our nation, and to strengthen and broaden our great national union now and in the future.

All of us are pleased with the SNC headed by Samdech Norodom Sihanouk and give it our support in order that this may serve as a driving force for the SNC to speed up its work and quickly settle the Cambodian problem in line with the UN peace plan.

During the meeting in Phatthaya, our SNC agreed to observe the cease-fire and to undertake to stop receiving foreign military aid; it also decided that the process of implementing UN control will be discussed at future SNC sessions.

During the Phatthaya meeting, while the SNC were discussing these matters, the DK party stated that during the first stage, the UN control team should have between 500 to 700 men to ensure the cease-fire observance and the cessation of foreign military aid, and to create favorable conditions for mutual trust. In the future stages, the United Nations should send more men until there is a sufficient number.

Moreover, we joyfully welcome the prospect of the United Nations being stationed in our country for a long period of time after the elections in order to help us bring about national reconcilation, peace, security, and the independent, neutral, and nonaligned status of Cambodia with its territorial integrity.

We would like to thank the ASEAN countries, the PICC cochairmen, the five UNSC permanent members, the UN secretary general, and all friends across the world for giving all kinds of support and assistance in order to enable Cambodia to regain independence and peace.

We would like to call on them to continue giving this valuable support and assistance by helping to promote the UN control.

[Dated] 7 July 1990.

Laos

Japanese Delegation Calls on Kaysone, Departs

BK0507155291 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Jul 91

[Text] Yesterday morning in Vientiane Capital, Kaysone Phomvihan, chairman of the Council of Ministers, received a courtesy call from the delegation of the Parliament of Japan, led by Ken Harada, member of the Japanese Parliament and chairman of the Japanese-Lao Parliamentary Friendship Association, which was paying a visit to the Lao People's Democratic Republic [LPDR]. During the call, the chairman of the Council of Ministers expressed his happiness over the visit to Laos by the delegation. He affirmed that since the visit to Japan by the high-level delegation of the LPDR in 1989, the relations and cooperation between the two countries have been developed and strengthened with every passing day as explicitly displayed in the Japanese Government's assistance and cooperation in the socioeconomic construction projects in many areas in Laos. At the same time, the chairman of the Council of Ministers expressed confidence that the relations and cooperation between the government and peoples of the two countries will be further strengthened with higher efficiency.

The Japanese parliamentary delegation ended its three-day visit to Laos and left for home yesterday.

Feature Hails Military Group's PRC Visit

BK0507082991 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 4 Jul 91

[Feature: "The Six Day Visit to the PRC"]

[Text] Respected listeners, an event took place in late June 1991—from 22 to 28 June. It was considered a very significant event, marking an historic milestone for the Lao People's Army [LPA] and the Chinese People's Liberation Army [CPLA]. That event was an official visit to the PRC by a high-level delegation of the LPA led by Comrade

Lieutenant General Choummali Sai-gnason, Political Bureau member of the Lao People's Revolutionary Party [LPRP] Central Committee and first deputy minister of national defense, at the invitation of the PRC National Defense Ministry. The visit was full of glorious success and it proceeded in an atmosphere of profound friendship and mutual understanding. Right from the very beginning of the visit when the high-level military delegation of the Lao People's Democratic Republic [LPDR] arrived in the great, beautiful land of China in the summer to the end of the visit when the delegation waved hands to bid farewell to the land of friends, the delegation was accorded with a warm and friendly welcome by various comrade high-level military leaders as well as cadres and combatants of the CPLA and the fraternal Chinese people.

At the (Nanyuan) Airport—an airport of the CPLA, our high-level Lao military delegation was welcomed upon its arrival by Comrade General Xu Xin, deputy chief of the CPLA General Staff, comrade ambassador extraordinary and plenipotentiary of the LPDR to the PRC, comrade Lao military attache to the PRC, and a number of cadres concerned. In the first 2 days of the official visit to the PRC, our high-level Lao military delegation went sightseeing in Beijing capital and held a working meeting with a high-level military delegation of the CPLA. On the first night of the stay in Beijing, our high-level Lao military delegation was feted at a formal banquet held at the People's Hall by Gen. Xu Xin, deputy chief of the CPLA General Staff. At the banquet, Comrade Gen. Xu Xin and Comrade Lt. Gen. Choummali Sai-gnason exchanged speeches. Both of them spoke of the relations which have been long maintained between the two armies and two nations of Laos and China on the basis of the fact that the two countries are linked with mountain ranges and waterways, and that the two peoples have maintained the traditional practices of exchanging visits and helping each other. The toasts at the banquet served to increase the atmosphere of the friendship between the two armies and the two nations.

A consultative meeting between the high-level Lao and Chinese military delegations took place on the morning of 23 June. In the meeting, the two sides raised many issues of common interest for discussion, including in particular the subject of Lao-Chinese relations, which have been increasingly improved. Following the meeting, which was highly successful, the two sides reached agreement with each other on all issues.

During the stay in Beijing, our high-level Lao military delegation also paid a courtesy call on Comrade General Qin Jiwei, state councillor and minister of national defense of China. The talks between comrade Qin Jiwei and comrade Choummali Sai-gnason proceeded in the time-honored spirit of comradeship and friendship. On that occasion, the comrade Chinese national defense minister said that the CPLA has always followed news on the development, strength, and victories of the LPA. On the same occasion, comrade Choummali Sai-gnason, on behalf of our Lao National Defense Ministry, invited the comrade Chinese national defense minister to pay an official visit to the LPDR at an appropriate time. Comrade Gen. Qin Jiwei has accepted the invitation with pleasure. Comrade Gen. Qin Jiwei organized a banquet in honor of the Lao delegation at the Beijing Duck Restaurant.

During the visit, our high-level Lao military delegation also called on Comrade General Chi Haotian, chief of the CPLA General Staff, at government guest house No. 12 in Beijing capital. The meeting proceeded in an atmosphere of mutual understanding. While in Beijing, the delegation also visited the (Jiugong) palace—an old palace of the Chinese king. The palace reflects the cultural and social development of China in the old days. It also reflects the feudalist ruling system of China in the past. In addition, the delegation viewed the military equipment exhibition hall of the (Noringko) Company. This company has produced various types of weapons and other military equipment for the CPLA and for export to various countries. It has altogether 160 production plants with some 700,000 cadres and workers. It has 20 branches in foreign countries. The delegation also visited the product exhibition center of the (Xinqing) Company—the company produces clothing, medicine, and other necessary items for use in daily life for the CPLA and for sale in markets. In addition, the delegation visited the Great Wall—the wall which reflects the enduring spirit of the Chinese people in defending their homeland.

From Beijing, our Lao military delegation left, during a summer rain storm, for a visit to the Nanjing military region on board a special Chinese Air Force plane. In Nanjing, the delegation was welcomed in a warm and dignified manner by cadres and combatants of the 179th infantry division. It saw a tactical show performed by the infantrymen of this division, a show reflecting the growth and strength of the CPLA. Later, the delegation visited Guangzhou city and the special economic zone in Shenzhen. The present shape of Shenzhen city clearly shows that, following the implementation of the open-door policy, China has taken a big stride in economic development. In the past, Shenzhen was just a small, backward town in Guangdong Province, but in the past 10 years of the implementation of the open-door policy, Shenzhen has become an important industrial city, full of skyscrapers.

The special Chinese Air Force plane took our high-level Lao military delegation from Guangzhou Airport to Kunming Airport in Yunnan Province. In Kunming, the delegation visited the military institute, where it was given a warm and friendly welcome by the comrade director of the institute and the comrade military commander of Yunnan Province. The delegation also visited some other places in Kunming—a neighboring city of Laos.

On the morning of 28 June 1991, our high-level Lao military delegation bade farewell to high-ranking CPLA officers, who saw the delegation off at the Kunming Airport in an atmosphere of close solidarity and deep feelings.

The time of the visit has passed, but the impression made by the fine words of the Chinese friends has remained deep in the hearts of the LPA cadres and combatants, as well as of all Lao people. The atmosphere of that day has passed, but the relations of friendship between the armies of Laos and China will be only further promoted, expanded, and strengthened.

Memorandum on PRC Aid for Station Signed 6 Jul

BK0707055891 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jul 91

[Text] An additional memorandum on the PRC assistance—700,000 yuan worth of television broadcast equipment for the Lao People's Democratic Republic—was signed during a ceremony at the Foreign Economic Relations Ministry this morning. The agreement on the assistance [for the construction of a satellite television-relay station] program was signed in Vientiane on 17 December 1990 during PRC Premier Li Peng's visit to Laos. The construction of buildings and installation of the equipment is now 60-percent completed and expected to be completed in September.

Signing the memorandum on the Lao side was Phao Bounnaphon, minister of foreign economic relations, and Huang Guocia, PRC ambassador to Laos, on the PRC side.

Military Committee Holds Joint Talks With Thais

BK0607061291 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 6 Jul 91

[Text] On the afernoon of 4 June Lao and Thai joint military committees held a monthly consultative meeting at Na Haeo District of Thailand's Loei Province. The joint military committee of the Lao side was led by Colonel Phommachak Southisan while the Thai side was led by Colonel (Samroeng Chanthanuphat).

In the meeting, which proceeded in a friendly and neighborly atmosphere, the two sides informed each other of the situation along the common border in the past month and discussed ways to secure peace along the common border and foster good-neighborly relations between the two countries. The two sides agreed to hold the next consultative meeting on 8 August.

'Yellow Rain' Use Criticized in Thai Paper

BK0707141991 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jul 91

[PASASON 6 July feature: "Together Implement Various Agreements for Stability and Security Along The Lao-Thai Border"]

[Text] Respected listeners, since the law on foreign investment has been put into effect in Laos, the Lao side has taken into consideration and endorsed some 100 projects worth more than $233 million altogether. Included in these projects are the investments under the forms of contractual business, joint ventures, foreign-funded enterprises, and others. Of these, more than 40 projects have been invested by investors from Thailand. It is seen that most of the foreign investors making investments in Laos are Thai. This is because Laos and Thailand have been good-neighborly countries since ancient times.

Everything mentioned above is in the investment field in particular. Laos and Thailand have also maintained cooperation in many other fields. For example, they have cooperated in settling various remaining problems on the border between the two countries. As everyone knows, following the recent official visit to the Lao People's Democratic Republic [LPDR] by General Suchinda Khraprayun, army commander of the Kingdom of Thailand, the two sides have withdrawn all their troops from the former critical areas. Along with this, the joint military committees of both countries have also regularly carried out activities to maintain peace and order along the common border. Another important point is that responsible committees from each sector have also controlled and supervised the implementation of the various agreeements as already agreed upon between the two sides. In the recent past, the two sides have also agreed with each other to cooperate in suppressing ill-intentioned elements who have sought means to create troubles along the common border areas, in order to preserve the good relations and effective cooperation between the two countries.

It is noted that following the implementation of the agreements, most of the various problems looming along the Lao-Thai and Thai-Lao border areas have been satisfactorily settled. An example of those issues that have been settled is the slanderous propaganda accusing Laos of using toxic chemicals, or as called yellow rain, along the border areas. In settling this issue, the joint military committees of the two countries have jointly carried out investigations and then held meetings to review their achievements in performing the work. They have later concluded that the said slanderous charge is groundless.

But, on 19 June 1991 [date as heard], the Thai paper THE NATION continued to publicize the statement on this issue as given by Thao Ya Ching who claimed himself to be an officer of the so-called Ethnic Liberation Organization of Laos. According to the report carried in THE NATION, this organization of Thao Ya Ching is located in Nampun—a border village of Thailand. In his statement, Thao Yachin has made many slanderous charges against the LPDR Government, including the use of toxic chemicals or yellow rain to suppress the Hmong tribal people late last year. By publicizing the statement of the ill-intentioned element who has hoped to sabotage the relations and agreements reached between the two countries in the new stage of cooperation, THE NATION has brought about nothing beneficial to anybody. It has only served the ill-intentioned element in carrying the slanderous news against the Lao side. Moreover, the publicizing of such the slanderous statement is considered to be an act of impeaching the work performances of the two sides' joint military committees which have always paid attention to suppressing the bad elements in order to maintain and nurture the time-honored good relations between Laos and Thailand and to foster and promote the cooperation between the two countries.

In fact, in the recent past, THE NATION has also publicized many news reports in a manner which have promoted the Lao-Thai relations and cooperation. However, should it avoid carrying certain unconfirmed and groundless news reports, it can make a better, significant contribution to the strengthening of the Lao-Thai relations.

Kaysone Phomvihan Receives New Ambassadors

BK0707041191 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jul 91

[Text] Kaysone Phomvihan, chairman of the Council of Ministers, this afternoon received courtesy calls from Huang Guocai and Claus Soenksen, new ambassadors extraordinary and plenipotentiary of the PRC and FRG to Laos.

Claus Soenksen and Huang Guocai had presented their credentials to the acting president of the Lao People's Domocratic Republic on 14 May and 6 June respectively.

Also today, the chairman of the Council of Minister received Urjinlhundeb, outgoing Mongolian ambassador extraordinary and plenipotentiary to Laos, who has just completed his tenure of diplomatic service in Laos. Urjinlhundeb was assigned to his ambassadorial post to Laos on 27 September 1989.

Nouhak Phoumsavan Meets New German Ambassador

BK0707041591 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jul 91

[Text] Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA], received Claus Soenksen, new FRG ambassador extraordinary and plenipotentiary to Laos, after the ambassador had presented his credentials to the acting president of the republic on 6 June.

The SPA chairman expressed his satisfaction with the normalcy of diplomatic relations between the two countries and belief that the new FRG ambassador's mission in Laos will further increase the efficiency of mutual relations, cooperation, and assistance for the Lao People's Democratic Republic.

French AICF Group Gives Health Aid to Sekong

BK0507102891 Vientiane KPL in English 0913 GMT 5 Jul 91

[Text] Vientiane, July 5 (KPL)—On June 13 the French nongovernmental organisation "Action Internationale Contre la Faim" (AICF), and the United Nations Development Programme (UNDP) signed an agreement whereby UNDP will finance part of the activities of AICF in the health sector.

This agreement was developed in close collaboration with the government authorities concerned at the central and provincial levels. It forms part of the project executed by the United Nations Department of Technical Cooperation for Development, "Integrated Rural Development in Sekong/Dakchung" (lAo/86/015), which aims to open up a mountainous and remote area and improve the living conditions of ethnic minorities in Sekong Province.

Activities envisaged in the agreement cover training of provincial and village level health workers and the establishment of dispensaries, including the organisation of small village pharmacies. Workers building the road from Sekong to Dakchung will receive particular attention from AICF in the health sector.

The agreement covers financing for 1991-1992 and logistical assistance. Possible further assistance may be provided in the framework of UNDP's new country programme, starting in 1992.

AICF is also working with the Ministry of Public Health to develop the distribution of drinking water in selected villages and to participate in the rehabilitation of health facilities in the Province of Sekong.

Joint Agreement With SRV on Agricultural Issue

BK0707055591 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jul 91

[Text] A delegation of Laos' Ministry of Agriculture and Forestry led by Sian Phanthong, deputy minister of the ministry, paid a working visit to Vietnam from 27 June to 4 July.

As proposed by the Lao side, Vietnam and Laos have agreed to cooperate in the development of agriculture and animal husbandry along the Lao-Vietnamese border. Meanwhile, Vietnam is now working on the animal husbandry development plan and will provide good breeds of cattle and experts to supervise animal husbandry along the common border. Vietnam will also help develop coffee tree cultivation in southern Laos and a number of other places in the country.

Phoun Sipaseut Attends U.S. 4 Jul Reception

BK0507111291 Vientiane KPL in English 0932 GMT 5 Jul 91

[Text] Vientiane, July 5 (KPL)—The charge d'affaires of the United States of America, Mr. Charles B. Salmon, junior, yesterday evening hosted a grand reception at his residence here to mark the 215th anniversary of the Independence of the United States of America.

Among the guests attenting the reception were Mr. Phoun Sipaseut, foreign minister; Mr. Phao Bounnaphon, minister of foreign economic relations; ministers and deputy ministers, and other high-ranking Lao officials. Heads of diplomatic missions and representatives of international organisations to Laos were also on hand.

The reception was filled with an atmosphere of good understanding and friendship.

Achievements of Mountainous Region Company Cited

BK0407144191 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 4 Jul 91

[Army tradition-telling program feature: "Seven years of the development of the mountainous region"]

[Summary] "Dear listeners, the Lak Sao mountainous region was once a stronghold of the Lao revolution. It was a rugged terrain full of mountains, deep ravines, and evergreen forests. It was an excellent hiding place for our Lao revolutionary fighters in the past."

After the liberation of the country, under the talented leadership of the Lao People's Revolutionary Party, the ethnic people living in the region became extremely resolved to contribute to the new tasks of national defense and construction along the path of building and enhancing the people's democratic regime. Unfortunately, due to the inaccesibility of the region to the outside world, the people found it very difficult to carry on normal livelihood in the area, thus compelling them to engage in wanton destruction of forests and natural resources which has been attributed to the denuding of almost all the mountains in the region.

In 1984, implementing the party's policy of carrying out economic, cultural, and social development in mountainous regions, the Mountainous Region Development Company under the supervision of the Ministry of National Defense launched a program to carry out development of the Lak Sao region by engaging in activities under the agriculture-forestry-industry-service sectors' comprehensive economic structure. The company has embarked on building political foundations among the ethnic people in the region. It has also implemented a policy of encouraging the people to maintain strong unity and to switch from normadic ways of life to earn their living on fixed locations. To achieve this goal, it has turned all villages into economic, cultural, and social centers which are politically strong, economically prosperous, and militarily strong in carrying out national defense and public security maintenance work. It has also broadened economic relations with many foreign countries, especially with Vietnam.

After carrying out operations for many years, so far the company has scored a number of achievements: It has invested tens of millions of kip in building irrigation facilities and clearing new land for rice farming and crop cultivation in the Thong Sen Thammat field, Kem Deng canton, the Thong Pe area, the Nam Ngok area, and the Nam Son area for more than 200 families of Hmong ethnic people. It has consolidated the marketing system for local inhabitants to sell their products. The company has also encouraged people to engage in livestock raising and fish breeding; to build schools, hospitals, markets, shop houses, and other enterprises; and to set up model and three-hygiene villages. Passenger buses are provided for commuters to carry out local trading. Limited timber exploitation has also been permitted by the company in this region with a view to earning some income for capital and, at the same time, conserving forests and natural resources.

In the industial field, the company has made preparations to promote such industrial enterprises as the planting of industrial trees and the setting up of factories for processing agricultural products, cement, rocks, asphalt, and other raw materials.

"In recent years, the company has carried out trade with many countries, including the Soviet Union, China, Vietnam, Hong Kong, Japan, South Korea, Thailand, Singapore, and Malaysia. Domestically, it has expanded the trading network into many localities."

The trading service was set up in the Lak Sao area in 1985 to provide consumer goods to customers. The company has invested heavily in acquiring land and sea transport means for travels to some Southeast Asian countries. It has made preparations to promote tourism by improving and renovating shop houses, restaurants, water falls, and other tourist attractions. It is currently building a foundation to provide air services to tourists and passengers from Lak Sao to destinations in Vientiane, Tha Khek, Savannakhet, and other provinces. An FM radio station was also set up in the region to promote the party's policy on cultural, education, and public health development.

"Even though these achievements are apparently not so significant, they clearly reflect the party's and state's policy toward our people in mountainous regions, aimed at bringing wealth, prosperity, and a good life to them as well as a new face to their regions."

Youth Union Central Committee Convenes Session

BK0307142691 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 3 Jul 91

[Text] This morning at the office of the Lao People's Revolutionary Youth Union [LPRYU], the LPRYU Central Committee [CC] convened its fifth extraordinary session under the chairmanship of Mrs. Thongvin Phomvihan, member of the Supreme People's Assembly and first secretary of the LPRYU CC, with the participation of more than 70 secretaries and members of youth union committees from various ministries, departments, and services attached to the center and from all provinces throughout the country. The session will last for three days.

During the the session, the participants are expected to study and discuss various means in trying to make the LPRYU self-sufficient in financial budgets, ways to solve decadent cultural problems prevailing among our youths at present, and the preparations to convene youth unions' conferences at the provincial and district levels in the near future so as to create conditions for convening the third nationwide youth congress scheduled to be held in 1992.

Philippines

U.S. Bases Workers Seek Compensation Pay

HK0507055691 Quezon City MALAYA in English 5 Jul 91 p 9

[By Jodeal Cadacio and Shalom Mapagu]

[Text] Filipino workers at Clark Air Base and Subic Naval Base are seeking a 30-day administrative leave with pay to compensate for the days they failed to report for work as a result of Mt. Pinatubo's eruptions.

Appearing before the weekly Congress Forum, Roberto Flores, president of the Federation of Filipino Civilian Employes Association [FFCEA], said base authorities had agreed to pay only three days from June 12 to 15, while applying the "no work, no pay" policy on the other days that the Filipino workers were absent.

Under the present collective bargaining agreement between FFCEA and bases authorities, Filipino base workers are not entitled to such benefit.

But Flores noted that their American counterparts in the bases have been granted a 50-day administrative leave with pay.

The move was endorsed by Sen. Ernesto Herrera (LP) [Liberal Party], chairman of the Senate committee on labor and employment, and Labor Undersecretary Bienvenido Laguesma.

But Laguesma said whether the workers' request will be granted depends on the damage assesment being conducted by U.S. survey teams on the two bases.

Laguesma also said that U.S. labor attache Peter Dodd informed him that the damage assessment will be the basis for seeking fresh funding from Congress.

"As long as these questions (extent of damage in the U.S. bases) are not answered, the Americans cannot really say whether they're ready to give in to the demands of the base workers," Laguesma said.

Workers who had been absent as a result of the volcano eruptions will have to rely on their unused leave credits, he said.

Flores, meanwhile, said Filipino workers at Clark Air Base are worried that the United States may decide to pull out of the bases as a result of the extensive damage the facilities sustained.

He said the workers hope that the amount covering the administrative pay they are claiming will be included in the outlay which the United States Congress intends to appropriate for the rehabilitation of the two bases.

Flores said about 17,000 or about 80 percent of the workers in Subic have returned to work. But in Clark, he said, only 350 of the 5,000 workers have reported back for work.

Survey Shows Majority Favor Retention of Bases

HK0107061091 Manila MANILA BULLETIN in English 1 Jul 91 pp 1, 28

[By Isidro Roman]

[Text] The majority of the Filipinos are in favor of the "indefinite retention" of the American military bases in the Philippines.

They also said that the U.S. bases agreement should be subjected to a referendum and let the sovereign people decide the issue.

Furthermore, they believe that the U.S. will honor its commitment to the Philippines should a bases agreement be reached.

These were among the findings of a nationwide Ateneo Public Opinion Survey conducted from April 5 to May 18 this year, the sixth of a series.

Seventy-five percent of the respondents said that they are aware of the presence of U.S. bases in the country while the rest said they are not.

In an earlier survey conducted in February 1989, only 64 percent of the respondents were aware of the presence of the U.S. military facilities, 35 percent were not and one percent refused to answer.

National urban respondents, including Metro Manila, showed a higher level of awareness that those in the rural areas.

But both urban and rural respondents said they were aware of the presence of the U.S. bases.

In Metro Manila, 94 percent of those interviewed said that they know of the presence of U.S. bases in the Philippines. This represents a significant increase in public awareness on this issue from the 1989 survey wherein only 85 [percent] said that they were aware.

In urban Luzon, 86 percent said that they were aware; 19 percent were not. In urban Visayas, 79 percent were aware; 21 percent were not. In urban Mindanao, 71 percent were aware; 29 percent were not.

In comparison, the 1989 survey results showed that in urban Luzon, 70 percent were aware, as against 30 percent who were not. In urban Visayas, 73 percent were aware; 24 percent were not; while three percent refused to answer. meanwhile, in urban Mindanao, 86 percent were aware as opposed to 14 percent.

Similar increases in awareness levels were registered in the rural areas of Luzon, Visayas, and Mindanao.

Just as changes were registered in the extent of public awareness of the presence of U.S. bases in the country since 1989, variations were also recorded in the public's preferred alternatives about the American bases.

In this year's survey, the number of respondents who preferred to retain the bases indefinitely was 48 percent, up from the 1989 level of 40 percent; and, seven percent higher than the 41 of the March 1990 survey results.

Fifty three percent of Metro Manila respondents, 52 percent of urban Luzon, 50 percent of rural Luzon, 58 percent of urban Visayas, 41 percent of rural Visayas, 59 percent of urban Mindanao, and 35 percent of rural Mindanao expressed their support for this preference.

About 61 percent of the respondents from socio-economic class ABC were for the indefinite retention of the bases together with 49 percent and 38 percent of Class D and Class E, respectively.

The number of respondents who would prefer that the bases be removed ten years after 1991 was four percent, or a 100 percent increase from the two percent of the 1989 and 1990 survey results.

Changes were also noted in the number of Filipinos who would prefer that the bases be retained only until 1991. In 1989, there were seven percent who preferred this option.

This increased to 13 percent in 1990; and came back to seven percent in this year's survey.

Similar changes were also noted for those who favored the removal of the bases only five years after 1991. In 1989, three percent expressed their preference for bases while in 1990, this number went up to eight percent. In this year, this went down to four percent.

This year's overall survey results showed that 62 percent of Filipinos prefer to subject the U.S. bases agreement to a referendum; 11 percent were against; two percent had no response.

Seventy four percent of Metro Manila respondents favored a referendum while 20 percent opposed it. In urban Luzon, 71 opted for a referendum while 14 percent were against. In rural Luzon, 66 percent were in favor as against 13 percent.

In the Visayas, 71 percent of urban respondents favored a referendum, while six percent opposed it. Rural respondents in the Visayas, at 51 percent, want a referendum; five percent were against.

Urban Mindanao respondents came in at 64 percent for a referendum while six percent were against. In rural Mindnao, 43 percent favored a refendum while 10 percent did not.

Varying reasons for wanting a referendum were given. Most respondents said that this is needed to get the opinion of the majority (35 percent) and to let the people decide (17 percent).

On the other hand, the 11 percent opposed to the holding of a referendum said, among others, that the government has the final say (five percent); that it is a waste of time and money (two percent); that an agreement has already been reached (two percent).

Meanwhile, 58 percent of the respondents said that the U.S. will make good its commitment to the Philippines should a favorable bases agreement be reached. Only eight percent said that the U.S. will not.

In Metro Manila, 72 percent expressed their confidence in the U.S. to honor its commitment. In urban and rural Luzon, 68 percent and 64 percent, respectively, expressed the same confidence. The same was expressed by 66 percent of urban Visayas, 46 percent of rural Visayas, 50 percent of urban Mindanao, and 37 percent by rural Mindanao.

The recent survey results also indicated that as one goes up the socio-economic ladder, the greater their level of awareness of the presence of the U.S. bases in the country; the stronger is the preference for the indefinte stay of the bases and subjecting the U.S. bases to a referendum.

Ninety-four percent of ABC class, 78 percent of D class, and 61 percent of E class were aware of the presence of U.S. bases in the country. Correspondingly, only six percent from ABC class, 22 percent from D class, and 39 percent from E class said that they were not aware of the U.S. military bases in the country.

Sixty-one percent of class ABC, 49 percent of class D, and 38 percent of class E are for the indefinite retention of the bases.

As to whether or not the U.S. bases agreement should be subjected to a referendum, 80 percent of the ABC class, 61 percent of class D, and 52 percent of class E prefer a referendum.

In terms of confidence on the U.S. to make good its commitments, the same trend was indicated. From class ABC, 74 percent said that the U.S. will honor its commitment should a bases agreement be reached. This opinion was shared by 60 percent of class D and 45 percent of class E.

The survey report defined socio-economic class AB as those households constituting "the most affluent group whose homes and lifestyles reflect an obvious lack of economizing."

Class C households are middle-class units, whose homes and life-styles exude comfort and the capacity to indulge in a few luxuries. Class ABC comprised 21 percent of the 1991 survey respondents.

Class D households, in turn, are lower-middle-clas households. They have some comfort and means, but they basically thrive on hand-to-mouth existence. They accounted for 43 percent of the respondents.

Class E households belong to the lowest rung of the socio-economic ladder, and are those which constantly face great difficulties in meeting their basic survival needs. They constituted 35 percent of the respondents.

The latest survey covered 1,200 respondents drawn from 66 rural barangays and 54 urban barangays in 57 cities and municipalities in 20 provinces located in Metro Manila and 12 regions of the country.

This is the sixth round of a series of surveys begun in 1988. The first was done in February, 1988; the second, in August, 1988; the third, in February, 1989; the fourth in August, 1989. Beginning with the fifth round, March 1990, the survey is done once a year.

The surveys are intended to monitor public sentiments and opinions on a range of current public and social issues. Also aimed at monitoring changes in the lives of Filipino families, the surveys are conducted by the Ateneo Institute of Philippine Culture and funded by the Ford Foundation.

Editorial Criticizes U.S. 'Double Dealing'

HK0407071291 Manila PHILIPPINE DAILY INQUIRER in English 4 Jul 91 p 4

[Editorial: "Inouye Should tell U.S., Not RP (Republic of the Philippines), To Reshape Ties"]

[Text] Mount Pinatubo's tons and tons of volcanic ash appear to be dousing any residual desire of the United States to continue maintaining its military bases in the Philippines. Its officials' assurances notwithstanding, U.S. thinking and action appear to be veering towards a pullout.

The fact is, Americans were manifesting withdrawal pangs two years ago. The collapse of the Soviet Union's economy in 1989 led to the fall of communist regimes in Eastern Europe and put a sudden and unexpected end to the Cold War.

It also affected issues half a world away, including the years of brinkmanship between Washington and Manila over the fate of the bases. The resulting lack of any need for the United States to protect its Asia-Pacific interests from the Soviet threat, coupled with uncontrollable U.S. budgetary deficits and expenses in the Gulf war, put a new complexion to the bases issue. Washington officials were quick to indicate that the bases were no longer essential and that alternatives were being studied. And while talks are going on for a new bases treaty, American negotiators carry a nothing-to-lose demeanor. They have been dropping hints that if the talks collapse and no treaty is forged to replace the current pact which expires in about three months, they would not be sorry to go.

Lately, a U.S. senator has urged Manila and Washington to begin forging a new relationship based on economic ties rather than on the military bases. Sen. Daniel Inouye of Hawaii, a prominent member of the U.S. Senate appropriations committee, said the relationship should be placed on a new foundation. "We should not allow the bases to dominate our bilateral relations or become the sole focal point of our discourse," he said in an interview on the eve of the U.S. turnover of Camp John Hay in Baguio City.

Inouye, also citing U.S. budgetary constraints and the end of the Cold War, said that for much too long, the issue of the bases has dominated discourse between the U.S. and the Philippines and soured progress toward a better and more productive relationship. "I hope that regardless of the final outcome of the bases negotiations, men of goodwill on both behind us and devote all our energies to improving our trade and political and cultural ties." [sentence as published]

Which is all well and good. The question, however, is whether the new relationship would be based on fairness and trust. Will the inequalities generated by the expiring military bases agreement be totally done away with? If a new comprehensive economic relationship is formed between the two countries, would parity be observed? Would Americans show respect and understanding of our culture?

Many Filipinos still look at Americans with a jaundiced eye but that resentment is justified in many instances. U.S. officials, for example, keep boasting that the Philippines enjoys $750 million a year in trade preferences from the U.S., completely disregarding the fact that the amount used to be almost $2 billion. They brag about giving us $500 million in aid when the promised total was $1 billion.

There is no argument about Senator Inouye's call for a better and more productive relation between the U.S. and the Philippines. But he should know that American arrogance and double dealing are preventing this from happening.

Japan Eximbank Releases $20.68 Million Loan

HK0407065891 Manila PHILIPPINES NEWSDAY in English 4 Jul 91 p 8

[By Rexie M. Reyes]

[Text] The Export-Import Bank [Eximbank] of Japan recently released $20.68 million of the total $300-million facility it is jointly financing with the International Monetary Fund's standby arrangement for the Philippine government, Kazunori Umeda, chief representative of Eximbank's office in Manila, said yesterday.

The amount represented the second tranche of the parallel financing which was disbursed on June 27, 10 days after the IMF released the second tranche of its $916-million financing package.

According to Umeda, there are still six more tranches remaining under the Eximbank's parallel financing package.

The parallel financing is a carry-over from the previous $900-million IMF extended fund facility to the Philippines.

Under the old IMF program, Japan Eximbank committed a co-financing package with the IMF also totaling $900 million. Of this total, $600 million was earmarked for the Philippine debt reduction program while the remaining $300 million was aimed at financing the country's structural reform program.

During the effectivity of the old IMF program, Japan Eximbank released $107 million from the $300 million allotted for structural reform support. The balance of $193 million was transferred to the new program when the old program was terminated.

Thus, of the $193 million, only $150 million remains to be disbursed to the Philippine government, Umeda explained.

The release of the tranches from Eximbank is timed with the disbursement of the IMF tranches since the co-financing program relies primarily on the Fund's approval of the country's economic performance.

The portion of the co-financing package intended for debt reduction operations, meanwhile, was cut into half after the Eximbank cancelled $300 million of the package recently.

The Eximbank co-financing package was committed to the Philippine government during the first pledging session for the Philippine Assistance program in July 1989.

The pledging session was held in Tokyo where Japan emerged as the biggest donor to the Philippines, pledging as much as $1.6 billion in total financial assistance.

Price Controls Ordered in Volcano-Affected Area

HK0107054891 Manila THE CHRONICLE in English 1 Jul 91 pp 1, 6

[By Maricor Zabata]

[Text] President Aquino has ordered the Department of Trade and Industry [DTI] to impose price ceilings on certain prime commodities, particularly rice, milk, flour, sugar, cooking oil, chicken and pork liempo [loin] in the areas declared under a state of calamity due to the eruptions of Mt. Pinatubo.

Executive Order 467, issued by Mrs Aquino last June 26, said the move aims to ensure continuous supply of the commodities and prevent unreasonable price increases in these areas.

The DTI also reported that about 396 manufacturing firms in Central Luzon, mostly exporters, were seriously affected by the Mt. Pinatubo eruptions.

These firms suffered heavy damage totalling P104.5 million due to the eruptions, according to the DTI.

Those affected include export-oriented companies engaged in mining and the manufacture of garments, furniture, gifts and toys, as well as housewares.

Meanwhile, the DTI said it will conduct public hearings to determine the coverage of the price control and the respective price ceilings of the commodities covered by the presidential order.

The price control will take effect two days after the list of the controlled commodities and their price ceilings have been published in a local newspaper or have been posted in at least three conspicuous public places within the city or town where the price ceilings will be imposed.

Rampant overpricing by unscrupulous merchants of prime commodities has been reported in areas adversely affected by Mt. Pinatubo eruptions.

In her order, the president also authorized the DTI to review, adjust or revise the price ceilings of the controlled comodities, if necessary.

The order calls for the creation of city and provincial task forces to assist the DTI in implementing the price ceilings.

Each task force will be headed by the provincial governor or city mayor as chairman and the DTI provincial director as vice chairman.

They are empowered to mobilize and deputize all government agencies, particularly the Philippine National Police and other law-enforcement agencies, to implement the price ceilings.

In its report, the DTI said that of the 393 damaged firms surveyed, 221 were in Pampanga, 95 in Tarlac, and 40 each in Zambales and Bataan.

Foreign Donors Make Pledges for Disaster Relief

HK0407044291 Manila PHILIPPINE DAILY INQUIRER in English 4 Jul 91 p 12

[Text] A high-level meeting between government officials and foreign donors last week yielded nearly P100 [Philippine pesos] million for relief and rescue operations in areas affected by mount Pinatubo's eruption.

The donations came from at least 13 countries, United Nations agencies, the International Labor Organization, and other bilateral and multilateral institutions.

National Economic Development Authority director-general Cayetano W. Paderanga, Finance Secretary Jesus P. Estanislao, and Foreign Affairs Secretary Raul S. Manglapus led the Philippine panel in the meeting.

The Cabinet members appealed to the donors for greater flexibility in financing programs so that onging and pipeline foreign-assisted projects can be reprogrammed to cover the requirements of reconstruction.

In related developments:

—Balanga, Bataan officials have selected three resettlement areas in Morong and Pilar towns for Pinatubo evacuees.

The resettlement sites were identified as the 300-hectare area adjacent to the Philippine Refugee Processing Center, the 200-hectare area beside the Philippine Nuclear Power Plant complex, both in Morong, and the 11-hectare training center of the defunct Kabataang Barangay in Pilar.

The Bataan Executive Committee told Executive Secretary Oscar Orbos that 333 families or 2,000 persons can be accommodated in the resettlement areas.

—Malacanang yesterday approved the plan to build a town site in all Central Luzon provinces devastated by Pinatubo's eruption.

Budget Secretary Guillermo Carague, who chairs the task force on the rehabilitation, said the new town site would cost more than the P2.5-billion earlier earmarked for the repair of damaged roads and bridges in the area.

The town sites will be built in Pampanga, Zambales, Tarlac and Bataan, Carague said.

—Defense Secretary Fidel V. Ramos yesterday recommended to President Aquino the release of P10 million more in rehabilitation fund for the calamity-stricken areas.

Ramos, who is chairman of the National Disaster Coordinating Council, said the funds will go to the Social Welfare department.

—Ambassador Jan Van Rij, head of the EC delegation in Manila, and Dr. Chi Nguyen Franchet, program coordinator of Enfants et Development [E and D] signed Tuesday an agreement providing emergency relief assistance for Pinatubo victims. The commission will provide 54,000 ECU (about P1.7 million) for food and medical supplies to victims in Angeles City through the E and D, a French non-governmental organization.

—The United Nations international Children's Emergency Fund has approved the release of $250,000 fpr Pinatubo victims particularly children and women, bringing to $450,000 (approximately p12.5 million) the total UN emergency assistance to the country.

The foreign assistance actually extended or committed during the meeting includes the following: United Nations

Development Program, $50,000 in relief items; UN Children's Fund, $60,000 worth of medicine and rice; World Food Organization, $50,000 in food aid;

UN Disaster Relief Organization, $25,000 in relief items; International Labor Organization, technical assistance valued at $30,000; World Health Organization, $50,000 worth of medical supplies; Commission of the European Community, 300,000 European Currency Units channeled through non-government organizations [NGO's]

U.S. government, a $1,437,583 grant in technical and financial assistance; Japan, $400,000 in cash and medicine; Singapore, $150,000 worth of military tents; New Zealand, NZ$50,000 in cash; Australia, P1,502,000 financial assistance, clothing and medicine;

Germany, P1,500,000 in food and medical aid; Denmark, DK300,000 in cash and commodities; United Kingdom, 44,000 pounds channeled through NGOs; Spain, $450,000 in relief goods; Canada, Cdn$50,000 assistance to the Philippine national Red cross;

Belgium, 500,000 Belgian francs worth of relief supplies; France, 100,000 French francs in cash, and China, P556,000 donation to the PNRC.

Estanislao said the government must mobilize additional financial resources for rehabilitation projects because of budgetary constraints and the series of natural calamities that had struck the country.

Families resettled in three Bataan sites would be given one or two hectares of land, food, water, electricity, health care and other basic services for six months, the executive committee said. Around P9 million would be needed for the supplies and another budget for rebuilding infrastructure, the committee members added.

Orbos visited Morong last week to look for possible sites for evacuees crowding refugee centers in Metro Manila.

At Malacanang, Caraguc told reporters the new town sites in Central Luzon would group together many of the barangays that were scattered before and 'would rationalize their location."

Each town site will have new schoolbuildings, hospitals, drainage system, artesian wells, townhalls and other infrastructure.

This plan, Caraguc said, will not mean that affected towns and barangays will be abandoned.

He said except for Porac, all other towns in the affected areas would not be evacuated.

Caraguc added the government has so far released p346.9 million of the calamity fund for disaster areas.

He said the budget department will facilitate the release of P12.5 million in countryside development fund for each of the 10 affected congressional districts in Central Luzon.

Finance Secretary: Politics Derailing Economy

HK0507051091 Manila PHILIPPINE DAILY INQUIRER in English 5 Jul 91 pp 15, 16

[By Oscar M. Quiambao]

[Text] Finance Secretary Jesus Estanislao yesterday criticized politicians for meddling with sound economic policies that could have made it easier for the shaky economy to stabilize.

Estanislao said that politicking from both the legislative and executive branches of government had been stonewalling basic economic reforms.

The finance chief warned that the government's failure to correct the fiscal deficits due to the promotion of a political agenda could "plunge the economy into instability and depression."

"Must we politicize any and all basic economic questions?" Estanislao asked in his most combative speech before members of the business community. Estanislao spoke before a business conference sponsored by the Philippine Chamber of Commerce and Industry (PCCI).

He said the government is facing this year a potential national government deficit that will be P [Philippine peso] 10 billion over the programmed target due to rehabilitation efforts for the Pinatubo victims and to correct "the politics that had attended the decisions on the National Power Corp. (NAPOCOR)."

The government has to extend about P7 billion in subsidy to the utility firm because the Supreme Court stopped it from raising its power rates.

Next year, he said the government is "taunted with the challenge of finding P44 billion" for unprogrammed expenses such as the peso counterpart funding for the Pinatubo rehabilitation effort and the subsidy to the NAPOCOR.

He said the only available source of revenue that can patch up the huge budget deficit is by dipping into the expected surplus in the Oil Price Stabilization Fund (OPSF) by September this year.

However, Estanislao said that there is strong pressure "to stop him" from getting funds from the OPSF despite that clamor for him "to phase down the import levy, which entails a revenue loss."

"Despite vigorous and often noisy opposition, the problem does not go away. As you in business know so well, the problems of business, of economics, of finance do not go away simply by shouting our heads off against them, by posturing against them, by throwing cosmetic palliatives against them," Estanislao stressed.

He deplored too much politicking in such fundamental business decisions such as plant locations, pricing by taking into account prudent economic factors would have helped in correcting fiscal slippages.

"Is this really the democratic way of creating an environment conducive for business and entrepreneurship" he said.

Estanislao also wraned that using the Pinatubo disaster as an excuse for reducing oil prices and phasing out the levy without alternative sources of funding to offset revenue losses will derail the implementation of the economic reform program.

In an apparent referral to Congress, Estanislao said: "These are the people who proudly exclaimed that they could cut P10-P20 billion off the general oppropriations act of 1991 and who eventually were the same ones complaining about cuts in public services; about doing away with even the most essential government operations, and, worse, about roads, bridges and school buldings to give up."

Ramos Itemizes Volcano Damage in Central Luzon

HK0407062191 Manila BUSINESS WORLD in English 4 Jul 91 pp 1, 5

[By Maricar S. Bavtista]

[Text] Damage to infrastructure, military facilities and agriculture brought about by Mt. Pinatubo's eruptions has now reached P4.079 [Philippine peso] billion, Defense Secretary and national Disaster Coordinating Council (NDCC) chairman Fidel V. Ramos said yesterday.

Although the figure does not reflect the total damage to the Philippine economy, Mr. Ramos said that it is nearing the mark of the initial estimated damage of P5 billion.

On the whole, NDCC figures show that the biggest damage is to infrastructure, p2.6 billion. This is broken down into P832 million in school buildings, P574 million in public buildings, P581 million in flood control, P489 million in roads and bridges, and P113 million in water systems.

Damage to military facilities, particularly aircraft and buildings in Basa Air base, is reported at P730 million.

Olongapo City suffered the most with a total of P1.03 billion damage to its infrastructures. NDCC figures showed that the cost of damage to school buildings in the city is now P507 million. the other infrastructures also damaged were: roads and bridges, P91 million; flood control, P146 million; public buildings, p216 million; water facilities, P65 million and health facilities, P5 million. (Numbers may not total due to rounding off.)

Damage to Zambales is now P964 million, while that of Pampanga is placed at P265.229 million; Angeles City, P197.750 million; Bulacan, P26.331 million; Bataan, P98.681 million; Tarlac, P38.695 million and Nueva Ecija, P7.703 million.

NDCC also reported that P699 million worth of crops and livestocks were damaged and accounted as: P288 million of rice, P55 million of assorted vegetables, P217 million of assorted fruits, P70 million of livestock, P62 million of fish products and P8 million of root crops.

Conflicting reports as to the damage have been noted. For instance, the Agriculture Department says that damage to agriculture is placed at P1.3 billion.

Officials at the Office of Civil Defense (OCD) said the costs of damage that they have been reporting are based on what the field officials have actually seen so far.

They said the amount quoted by Mr. Ramos does not include other interrelated damages.

Ileto Said Willing To Accept Defense Post

HK0407040391 Manila PHILIPPINE DAILY INQUIRER in English 4 Jul 91 pp 1, 12

[Text] National Security Adviser Rafael Ileto said yesterday he was willing to replace Defense Secretary Fidel Ramos if President Aquino offered him the post.

"When I am asked to do something, I do it," Ileto said, reacting to reports that the president was considering him, along with former Armed Forces Chief of Staff Renato de Villa and five others, as Ramos' successor.

"You are tickling me, naman, naman," he added.

Ramos is expected to resign next month to pursue his bid for presidential nomination of the pro-administration Laban ng Demokratikong Pilipino [Struggle of Philippine Democrats—LDP].

Ileto, who was defense secretary until Ramos took over immediately after the Aug. 28, 1987, coup attempt, said he would not regard it as a demotion if he was appointed to his former position.

Ileto, who was appointed ambassador to Iran when he retired as vice chief of staff of the Armed Forces, was named defense secretary when Juan Ponce Enrile was fired from the position in 1986.

"I was in the defense (before). Pare-pareho lang sa akin iyan ["It's all the same to me"], I have never considered anything as demotion or promotion," he said.

He added, however, that the President has yet not offered him the defense portfolio. Palace sources said his appointment would suprise everyone since Ileto had been perceived as a weak defense secretary.

Ms. Aquino is looking for a replacement for Ramos, who was expected to resign before the end of the year to pursue his presidential ambition.

Ramos has not yet set any date for his resignation, but officials expected him to resign by August.

"I hope so (by August)," a top AFP [Armed Forces of the Philippines] official told the INQUIRER.

Ramos dismissed reports that the President was looking for his possible replacement because he had already resigned.

"I'm still here," Ramos told reporters in Malacanang.

Last Friday, the President met with De Villa and made the offer. But the retired AFP chief of staff was reportedly reluctant to accept it because he preferred to attend to his ailing wife.

Ms. Aquino is also considering Defense Undersecretaries Leonardo Quisumbing, Eduardo Ermita, Feliciano Gacis, Customs Commissioner Salvador Mison, and Rep. Jose Yap (LDP, Tarlac), chairman of the House committee on defense.

Yap rejected the idea, saying he would rather be a congressman.

Aquino Names Elma Acting Executive Secretary

HK0807110091 Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 8 Jul 91

[By Dick Sinchongco in Malacanang]

[Text] President Corazon Aquino has formally appointed Attorney Magdangal Elma acting executive secretary, replacing Oscar Orbos, who resigned. Elma was the presidential assistant for legal and judicial affairs until today when he was named acting executive secretary. In a statement, the president said she has requested Deputy Executive Secretary Mariano Sarmiento II and Assistant Executive Secretary Roberto Lucila to remain at the Office of the President until her term expires.

Meanwhile, President Aquino has ordered Malacanang not to issue curt remarks against resigned Executive Secretary Oscar Orbos. She stressed that enough has been said about Orbos' resignation, adding that any further clarification should only come from Orbos. The president said this after heavy criticism of Orbos by Press Secretary Tomas Gomez III and Press Under Secretary Horacio Paredes.

Since Orbos resigned on 5 July, the presidential spokesman has issued a series of criticisms against Orbos. The president refused to confirm Paredes' statement that she would endorse Orbos as senator in the coming elections.

1989 Coup Suspects Freed, Demoted, Discharged

HK0407090991 Manila PHILIPPINE DAILY INQUIRER in English 4 Jul 91 p 11

[By Fe B[illegible]ora]

[Text] Thirty-one Army captains and lieutenants and 10 enlisted men were reverted to active duty yesterday after investigators cleared them of involvement in the failed 1989 coup attempt.

But Gen. Lisandro C. Abadia, Armed Forces chief of staff, ordered the demotion of 25 Navy personnel and the discharge of 30 Marines who were found guilty of taking part in the coup that nearly toppled President Aquino.

This developed as Abadia claimed he was making some headway in his call for dialog with coup leader ex-Lt. Col. Gregorio Honasan.

"May mangyayari. Malapit na. ["Something's up. It'll be soon."] Abadia told the INQUIRER. He denied, however, that the release of the detainees is a "come-on" for Honasan's group to come out in the open.

"This is something we have to do that is right in the light of present circumstances," he said.

The cleared officers and men were members of the 24th and 68th Infantry Battalion which occupied Sangley Point at the height of the December coup attempt. Battalion commander Maj. Domingo Oliveros and Lt. Col. Arsenio Tecson are facing charges in a military court for bringing their men to the naval base.

The 25 Navy personnel who were demoted will report to active duty after a brief retraining, Abadia said.

Their release left less than 100 officers and men in detention in connection with the bloody putsch. Those released have been in detention since December, 1989.

Abadia identified the officers as Capt. Victor Felix, 1Lt. 1st Lieutenant] Felipe Anotado, 1Lt. Edgar Rodriguez, 2Lt. [2d Lieutenants] Bismark Soliba, 2Lt. Antonio Tayag, 2Lt. Eduardo Lopez, 2Lt. Marcos Norman Flores, all of 24th IB; Capt. Maximo Junio, Capt. Renato Roque, 1Lt. Rosario Bertumen, 2Lt. Emilio Hulipas, 2Lt. Romeo Basco, 2Lt. Leonard Palad, 2Lt. Cesar Pascicolan, 2Lt. Comelio Castillo, 2Lt. Juny Castro and 2Lt. Pabie Bagcal, all of the 68th IB.

Released to the custody of Army chief Maj. Gen. Arturo Enrile are Capt. Jose Agdeppa, Capt. Rogelio Rompacio, 1Lt. Carlito Valdez.

Abadia said others were released subject to "administrative sanctions."

Armed Forces Chief Urges Businessmen To Invest

HK0407063091 Manila THE CHRONICLE in English 4 Jul 91 p 1

[By Manny Mogato]

[Text] General Lisandro Abadia, the AFP [Armed Forces of the Philippines] chief of staff, last night pledged to create an atmosphere conducive to business growth and development and urged local businessmen to share the burden by pouring in investments and encouraging foreign investors to come in.

Abadia told members of the Filipino-Chinese general chamber of commerce at a special meeting that the armed forces can take care of the nation against all threats to its peace and prosperity.

"You can take care of its economy," he urged the businessmen.

He said the series of calamities and disasters that devastated the country's growing economy and the continued threats from the communist, separatist and right-wing rebels continued to scare away investors, as well as local traders.

The armed forces has been doing its bit to remove the threats to national security, but it certainly needs support not only from civilian government but also from the business sector as well, Abadia pointed out.

"There is, quite clearly, a need for confidence in our nation and its ability to function as a free and sovereign state," he said. "That confidence can only be built by a concerted effort to sustain normal business activities."

He said the military has gained significant successes against rebel groups in the country. For instance, he said, communist New People's Army (NPA) members went down to 17,000 from a high of 25,000 in 1987.

"I am confident in saying that there is cause for optimism about the future," he said as he urged business leaders like the members of Filipino-Chinese general chamber of commerce "to participate actively."

Earlier, Abadia assured the public that the armed forces has enough firepower and capability to take care of the country's external defense requirement even if the Americans decide to abandon Clark and Subic.

"I would not admit that we are hostages to the capability of the U.S. as a self-respecting AFP," he told a press conference in Camp Aguinaldo. "Bases or no bases, life will go on in this armed forces and in this country."

Along this line, he said the government has to spend money for its defense requirements, particularly in deterring external aggression.

Editorial Urges Expansion of Air Force

HK0107122491 Manila PHILIPPINE DAILY INQUIRER in English 1 Jul 91 p 4

[Editorial: "Way Must Be Found To Refurbish Air Force"]

[Text] The withdrawal of U.S. forces from the Philippines in seven to 10 years should prompt the government to plan as early as now how the country will be able to defend itself from external aggressors when the Americans are gone.

U.S. troops and their armament have been around so long that the matter of the country's protection against external forces has been taken for granted. But now the reality of the American pullout in a decade stares us in the face. Will we be ready when it comes?

The Air Force does not think so. And as it marks its 44th anniversary today, it is taking the opportunity to air its biggest lament: it needs new airplanes, badly.

The entire Air Force, believe it or not, consists of only nine aging F-5 jet fighters acquired in 1965, say our PAF [Philippine Air Force] officers. The rest of its aircraft are training and support planes. If our present air fleet is not expanded, it may not be an exaggeration to say that when Clark Air Base shuts down for good, our air defense capability will be nil, zero.

Which is a shame, considering that in the 1960s, the PAF was the most superior air force in Southeast Asia. Since then, we have pitifully lagged behind. Thailand and Singapore spent $3 billion last year to build up their air capabilities. Indonesia and Malaysia have allocated around 4 percent of their gross domestic product for aircraft modernization. Even Brunei, which became a republic only in 1984, has a better equipped air force than the Philippines.

And it won't do to simply dismiss them as rich countries buying toys like spoiled children. They are spending for a good reason.

Everyone knows, of course, that our government is practically bankrupt in finances as well. "Our realities cannot match our dreams," President Aquino said during last week's anniversary of the Navy, which is in the same outmoded boat as the PAF. She said severely limited resources have been drained further by the series of calamities that struck the country.

But should we leave it at that? A commander-in-chief should never be a defeatist. The President cannot simply cast the country's fate to the wind. She and our other leaders will have to use their will and imagination. The security of the people is at stake. Some way must be found, somehow.

Editorial Urges Strengthened, Modern Air Force

HK0107050791 Manila THE CHRONICLE in English 1 Jul 91 p 4

[Editorial: "Paying Attention to AFP's (Armed Forces of the Philippines) External Duties:"]

[Text] The Philippine Air Force [PAF] celebrates its 44th anniversary today.

Perhaps what it should celebrate is the fact that it has managed to survive this far.

Burdened by equipment both insufficient and obsolescent, the PAF has still, somehow, maintained a sort of presence all these years.

Yet even that is being eroded by an implacable foe—time.

The country's first line fighters, a sad handful of F-5s, were modern when they were acquired, but that was more than two decades ago. The rest of the PAF's strength is as venerable: its helicopters date back to the Vietnam War; its most famous ground attack aircraft, the T-28 "Tora Tora", uses technology going all the way back to World War II.

All this means that the PAF's strength is diminishing in two ways: first, technological developments are leaving it behind; second, age is making the aircraft unserviceable, consigning them to the scrap heap.

Usually, an efficient reequipment program will keep these threats in check. It is precisely in this area though, that the PAF faces it greatest danger. Government neglect, and a shrinking air force budget, might yet make the PAF eagle endangered, if not extinct.

All this is a sad contrast to the other countries in the region, which are rapidly equipping themselves with the most modern aircraft and facilities.

Granted, the Philippines has other priorities for its limited funds. But the changing security picture dictates the country wake up to certain realities.

One is that the Philippines will soon be shorn of its American security umbrella and must begin to fend for itself. Another is that it has certain interests related to territory and sovereignty.

National sovereignty needs a respectable force to support it (significantly, that one of the things the revolutionary government in 1898 did was to set up a navy). But the current strength of the PAF doesn't command respect, it invites sympathy.

There are those who might be wary of any military build-up, panticularly because of the Marcos experience. They should recall though, that even before that dictatorship inflated the military budget, the country already had a strong air force. And even after that budget was bloated, what resulted was an unbalanced military, designed more for repression that national defense.

What the PAF needs now is a rational build-up that will pull it up from the nadir to which it has fallen. There is a whole world of difference between a service bloated to the point of ludicrousness, and one built up to the point where it can fulfill minimum requirements. At the moment the PAF cannot even guard the country's entire air space, nor prevent overflights. And the country is helpless to prevent other countries' fishing craft encroaching on territorial waters.

If the government really means what it says about the internal threat being neutralized, then it should start paying attention to external duties for the armed forces. It can do no better than to ensure that the country has a PAF whose strength is worthy of its tradition.

Air Force Tests, Evaluates New Jet Fighters

HK0107050191 Manila THE CHRONICLE in English 1 Jul 91 p 6

[By Manny Mogato]

[Text] At least seven sophisticated models of multi-role fighters from five Allied countries would be technically tested and evaluated by senior military planners looking for the country's main weapon for an integrated air defense systems.

Sources at Villamor Air Base said two American models, two French models, two British models and an Israeli model for a multi-role fighter-bomber and interceptor aircraft would be technically evaluated to replace the country's 25 year-old F-5A "Freedom Fighter" jets.

The acquisition of at least two squadrons of multi-role fighter- interceptors is the centerpiece of the armed forces P [Philippine pesos] 43-billion modernization program for the air force.

The other components of the 10-year modernization plan include the installation of seven three-dimensional radar systems and at least 10 two-structure digital tropolink and microwave communications systems.

Three strategic air bases would also be developed to enhance the integrated air defense systems (IADS) program which was also designed to reduce dependence from the U.S. security umbrella in the region.

Major General Loven Abadia, the air force chief, said his planners were drawing up a mix of counter-trade, soft loan, and transfer of technology agreements with major aircraft manufacturers in Allied countries to finance the ambitious acquisition of multi-role fighters.

Among the multi-role fighter models being studied are the American-made F-16 "Fighting Falcons" and an older version of the F-5E models; the French Mirage 2000 and Mirage F-1 models which are widely used by Middle East countries; the British AV-8 "Harrier" which saw action during the Falklands and the Tornados which saw action during the Gulf war; and the Israeli Kfir C-7 aircraft.

A minimum of 18 fighters and a maximum of 36 fighers were programmed in the modernization program which also include at least half a dozen heavy lift helicopters, medium-range transport aircraft, basic and advance jet trainers, and flight simulators.

To complement the interceptors, the air force also planned to install three-dimensional radar systems in at least seven strategic locations in the country.

Apart from the existing radar systems in Pasuquin, Ilocos Norte; Lubang Island in Mindoro and in Panay in Western Visayas, there were also plans to set up similar stations in Zamboanga in southwestern Mindanao, Davao in southeastern Mindanao, Bicol and in Cagayan in northeastern Luzon.

Communist Rebels Reject Local Peace Talk Offer

HK0407041591 Manila PHILIPPINES NEWSDAY in English 4 Jul 91 pp 1, 2

[By Dionisio Tubianosa]

[Text] The government plan for peace initiatives with the communist insurgents through the establishment of community-based peace zones was shot down even before it got off the ground as the National Democratic Front [NDF], the political arm of the communist insurgency, rejected the proposal for local peace talks.

The mechanics for local level peace talks was approved yesterday by the Cabinet Cluster E, the Cabinet committee on national security and political development, for submission to President Aquino for approval.

But even before Mrs. Aquino could act on the guidelines, the NDF-Central Luzon rejected the local level formula and said that the peace talks should be done on the national level.

Senator Wigberto Tanada, in a separate statement, also urged peace talks on the national level with the national Democratic Front/Communist Party of the Philippines/New People's Army (NDF/CPP/NPA) and called on the Cabinet Cluster E to "finally act on the framework for a peace process and the memorandum on Human Rights and International Humanitarian Laws submitted by the

Multi-sectoral Peace Advocates, which provide a workable mechanism for moving toward a settlement of the armed conflict."

The NDF, in a statement sent to media, said that "any peace negotiation, to be meaningful, should address the roots of the country's social maladies and the national crisis."

"We would have gladly sat down and talked," the NDF statement said, "if only the continued presence of the U.S. military bases is not a national issue. If land reform is not a national question. If poverty is a problem limited only in Central Luzon. If the disaster brought by the Mt. Pinatubo eruption did not affect the rest of the country and that relief and rehabilitation are not a national concern."

The NDF said that "if the Aquino government sincerely wishes to talk with the NDF, it must do so with the NDF national leadership."

In rejecting the government's local peace initiative, the NDF said, "The question of peace should never be addressed in the Aquino government's piecemeal formula."

The NDF said that peace cannot be achieved "without the total liberation of the whole country from the clutches of imperialism and its local pupets."

"On the other hand," the NDF said, "we cannot help but ask: Is the Aquino government's call for localized peace talks part of the regime's divide and rule tactic aimed to further intensify its Total War against the revolutionary movement?"

Presidential security adviser Rafael Ileto, interviewed by Palace reporters before the Cluster E meeting, said it was important to give this process a chance to gain momentum for the sake of peace. "We must have it on a regional basis, not on a national level. We tried the national basis and nothing happened. I think the regional basis will be more effective," Ileto said.

The objectives of the local peace process (LPP) are:

—to bring an end to armed conflict in selected communities in the country;

—to involve all sectors of a local community in the identification of local problems leading to armed conflict, and in the formulation and implementation of solutions; and

—to reintegrate insurgents as useful and responsible members of a local community.

Initiation of the LPP could be spearheaded by "area-based multisectoral groups, including local government, AFP/PNP [Armed Forces of the Philippines/Philippines National Police] local command, Church, NGOs [Nongovernmental Organizations] and other private/community organizations."

Their efforts could include "initial contacts and exploratory talks to establish openness of local insurgent groups to participation in local peace dialogs and processes, and preliminary discussions and arrangements for suspension of hostilities or other arrangements allowing insurgents' participation in multisectoral dialogs, for example, safe conduct arrangements, so that dialog can begin even if fighting is going on," the proposal stated.

The mechanism for integration of insurgents into local communities could include the granting of amnesty, disposition of arms, disbanding of local armed units, safe return to peaceful and productive life and protection of returnees, multisectoral community assistance for economic headstart activities, participation in political processes, and treatment of "hold-outs." There was no elaboration on the components for integration in the approved proposal, however.

The proposal also said that agreement should also be reached on implementing and monitoring mechanisms, assignment of roles and identification of resource support for the program.

Ileto also said that at the initial stage, there could be no preconditions and that the peace process is not limited to the communist insurgents. "In fact, General (Lisandro) Abadia (AFP chief of staff) is asking for peace talks right now with the rightists if they want to come out and discuss these things and General Abadia seems to be putting his profession on the block," he said.

Thailand

U.S.-Thai Criminal Justice Treaty Approved

BK0607014191 Bangkok THE NATION in English 6 Jul 91 p A3

[Text] The National Assembly yesterday approved a long-pending treaty between Thailand and the United States on criminal justice cooperation.

The 21-article Treaty of Mutual Assistance in Criminal Matters, formulated in 1986, will take effect after a joint ratification in Washington.

The treaty covers cooperation and assistance regarding investigation, prosecutions and other legal procedures concerning criminal cases between states, but excludes the private sector and does not cover military offences.

The legal cooperation includes questioning of witnesses, interrogation of suspects, provision of necessary documents and evidence, and searches for suspects and evidence.

The treaty also allows the transfer of detained suspects for investigation, requests for legal action and assistance in confiscation of assets.

Solution Sought to Malaysian Border Dispute

BK0807021791 Bangkok THE NATION in English 8 Jul 91 p A 2

[Text] The Thai government is seeking long-term solutions to the protracted territorial dispute with Malaysia over a strip of "no man's land" at the southern border, National Security Council [NSC] chief Suwit Sutthanukun said yesterday.

He told THE NATION that the NSC was compiling information from local authorities and should be able to assess the real situation within a few days.

"Currently information is still not complete and we can't conclude what really has happened," Suwit said.

Tension at the 90-rai border area, surrounded by walls built by both countries and inhabited by smugglers, rose again late last month following a massive Thai crackdown on contraband smuggling.

Malaysia, insisting that the area is its territory, complained that armed Thai authorities have "intruded" into the controversial land and harassed Malaysian "traders". Senior Thai officials argued that all raids were carried out on Thai soil.

Suwit said the Thai government would try to adopt long-term measures to cope with the problem, which local officials have described as a ticking time bomb in the generally warm Thai-Malaysian relations.

"We will create measures to prevent the repetition (of the June 30 incident)," the NSC chief said.

The incident preceded the one-day 35th Malaysia-Thailand General Border Committee (GBC) meeting in Kuala Lumpur on Friday. The meeting was attended by Supreme Commander Gen Sunthon Khongsomphong and Malaysian Defence Minister Najib Razak.

Sunthon, who chaired the meeting, described the tension at the "no man's land" as a "local incident" and said it should not affect bilateral relations between the two countries.

At a press conference for Thai and Malaysian reporters after the meeting, Sunthon, who is also chairman of the National Peacekeeping Council, said he would instruct Thai authorities to look into the matter.

A high-level Thai official who accompanied Sunthon to Kuala Lumpur confirmed yesterday that Sunthon and the Malaysian defence minister agreed to let local authorities of both countries try to solve the conflict first.

"They informally discussed the conflict and agreed that the problem should not be sensationalized, that it should be considered a local problem to be handled by local authorities," the source said.

However, reports from Kuala Lumpur on Saturday said that Malaysian Foreign Minister Abdullah Ahmad Badawi had summoned the Thai ambassador.

"We regret the Thai officers coming to enforce their laws on our people in our territory," Abdullah said.

During his talks with the Malaysian defence minister, Sunthon confirmed Thai authorities' statements that the anti-smuggling operations were carried out on Thai soil, the source said.

NKPC Chief Reports Malaysian Border Meeting

BK0707042891 Bangkok Radio Thailand Network in Thai 0000 GMT 7 Jul 91

[Text] The 35th meeting of the Thai-Malaysian General Border Committee is being held in Kuala Lumpur during 1-8 July. The Thai delegation is led by General Sunthon Khongsomphong, supreme commander of the Royal Thai Armed Forces and chairman of the National Peacekeeping Council [NPKC], while the Malaysian defense minister leads the Malaysian team.

After the meeting of the committee yesterday, Gen. Sunthon granted an interview to an official of the Thai Information Office in Kuala Lumpur as follows:

[Begin recording] [Sunthon in progress] ...the first issue discussed was the Thai-Malaysian joint naval and air exercises, which were carried out very successfully. The exercises helped strengthen the relations between the Royal Thai Navy and the Malaysian Navy, as well as between the Royal Thai Air Force and the Malaysian Air Force.

The meeting also reviewed the role of the Thai-Malaysian border committee. Originally, the principal objective of the committee was specifically aimed at suppressing the CPM [Communist Party of Malaya], but the CPM has already laid down their weapons and ceased their armed struggle. However, their ideology may remain. Therefore, the objective of the committee must be adjusted to take responsibility in the suppression of all forms of terrorism. This has been agreed upon by the Malaysian side. We will have to hold another consultative meeting to discuss ways to improve and adapt the joint agreement. For this, a committee will be set up to work on this particular task.

What should be interesting for the new role of the Thai-Malaysian General Border Committee is the joint land operations between the Malaysian and Thai armed forces. There are two main objectives for the joint operations. The first objective is to clear the booby traps placed by the CPM in both Thai and Malaysian territories. The second purpose of the joint border operations is to search for terrorists, who may hide themselves along the common border.

These are the main points that we discussed and agreed upon in the meeting. As for the discussion on secret issues between the Malaysian defense minister and me, I am not in a position to disclose anything.

[Official] Since the problem concerning Communist guerrillas along the Thai-Malaysian common border has been much alleviated, how many booby traps have been cleared?

[Sunthon] We have cleared a number of booby traps, but there still are so many left, because the CMP placed booby traps almost all along the border. Although some of the traps might not work now, clearing any traps has to be very carefully done. Since there is no evidence or record of where each trap was placed, we will have to use various techniques in the operations to prevent danger for the soldiers of both countries. [end recording]

Broadside Launched at Malaysia on Border Issues

*BK0607112191 Bangkok THAI RAT in Thai
6 Jul 91 p 3*

[Editorial: "Don't Give In on All Counts"]

[Text] It has been the theory and practice of Thailand's foreign policy that peaceful coexistence with neighboring countries must be preserved at all costs. This has helped forged the unity of the ASEAN grouping and has given them strong regional bargaining power. Thailand has been trying to prevent this unity from breaking up because it is a guarantee for regional peace.

The late Tunku Abdul Rahman, the Malaysian statesman of Thai origin, was responsible for laying a solid foundation for Thai-Malaysian relations after Malaysia gained independence from Britain. Time has passed and governments have changed, but Thailand's policy has not changed from that of bending with Malaysia. When both countries were still launching campaigns against communist insurgencies, Malaysian troops crossed into Thailand's border in hot pursuit without having to notify Thai authorities. Thailand, however, was not entitled to do the same.

Malaysia has now achieved a new economic status owing to its recent growth. The people of Malaysia have now become extremely nationalistic. While the government and people in Thailand have never aspired to become the 5th Newly Industrialized Country [NIC] in Asia, Malaysia would be upset if it is not given this status. Malaysia is now trying to get Thailand's support for its East Asian Economic Grouping concept. It is not happy with the United States and Japan because the two did not endorse its plan.

We should take a good look at Malaysia now. In defiance of peaceful coexistence, Malaysia has arrogantly claimed sovereignty over the Gulf of Thailand. They also want notification from Thai fishing boats 48 hours before entering into its waters. Otherwise, our fishermen face arrest and a summary jail sentence within one day without any trial. Malaysian nationals have intruded into Thai soil felling logs in areas as vast as a thousand rais. They were later on released by Thailand out of kindness. This has been condemned by the Thai public. Yet, Malaysia has continued accusing the Thai Government of ill-treating its men.

The latest incident happened when Thailand raided contraband smuggling rackets near the border. The Malaysian mass media, in the English, Chinese, and Malay languages, distorted the facts and accused the Thai authorities of robbing the people inside the Malaysian border. They ignored the fact that the contraband had been seized inside Thai territory. Moreover, Malaysia complained that Thailand's actions prevented more than half of its industrial products from reaching Laos, Cambodia, Vietnam, and Burma. This reflects Malaysia's policy of supporting contraband smuggling.

If it is impossible to communicate with the ultranationalists with good sense and reason, we would prefer to let relations turn sour for a while. Thailand is not the only one which has been treated antagonistically and arrogantly, such as in the summary court action. Others have also fallen victims to Malaysia's selfishness.

Canberra Regrets Report on Terrorist Center

*BK0407101291 Bangkok Voice of Free Asia in English
1500 GMT 3 Jul 91*

[Text] Australian Ambassador to Thailand Richard Butler Tuesday conveyed his government's regret over what was termed the groundless and unfair news coverage of Thailand by Australian journalist Alan Boyd.

Foreign Ministry spokesman Sakthip Krairoek said the ambassador submitted an official letter informing the ministry that Canberra had seen Boyd's article in the Australian newspaper on 28 May calling Thailand a center of world terrorism and alleging that the Lauda air crash was caused by terrorists.

The letter said the Australian Government was unhappy about the incident because the article was groundless and unfair to Thailand and would recommend that the newspaper apologizes and retracts the article, Mr. Sakthip said.

Mr. Butler said his government wanted Thailand to understand that it was unhappy over the reporting, said Mr. Sakthip.

The spokesman said he was satisfied the Australian Government had made known its official position on the incident and would convey the message to Foreign Minister Asa Sarasin and Prime Minister Anan Panyarachun.

Trade Deficit With Japan Continues To Widen

*BK0507013291 Bangkok THE NATION in English
5 Jul 91 p B3*

[Text] Bangkok Bank's research department claims that Thailand's trade deficit with Japan continues to be a chronic problem which worsens yearly. In 1990 the deficit loomed at Bt157,715 million, up Bt44,771 million from the figure for 1989, and by 1990 it exceeded Bt100,000 million.

Thailand's chief import items from Japan include industrial machinery, automobile parts, electrical appliances, steel products and chemicals—all of which are growing fast because of Thailand's industrial development which stresses the export of manufactured goods. This emphasis causes dependency on imported machinery, parts and raw materials, most of which come from Japan.

In addition, Japanese investment here has been highly import-intensive, most of the imports coming from Japan while Thailand's exports to that country are mainly primary products that have undergone little processing.

Though Japan has been importing more Thai manufactured goods over the last five years, such Thai exports to Japan have grown at a much slower rate than Thai total exports of manufactured goods. Principal Thai exports to Japan are frozen shrimp, gems, jewelry, rubber and frozen chicken.

Obstacles to Thailand's exports to Japan include high import duties and quotas on agricultural products, and cumbersome quality inspection procedures for frozen chicken, canned pine-apple, caster oil and tapioca flour.

Japan is now under pressure from its major trading partners, namely the United States and Europe, to liberalize its market. And when the long-sought reforms are in place, Thailand will undoubtedly benefit from the pressure applied by the Americans and Europeans.

300 Burmese Exiles Rally, Protest Deportations

BK0507013991 Bangkok THE NATION in English 5 Jul 91 p A3

[Text] About 300 exiled Burmese rallied yesterday in front of the UN High Commissioner for Refugees (UNHCR) office, calling for resumption of the refugee screening process and respect for "refugee rights" against arrest and deportation by Thai authorities.

They urged the government to allow them to stay in Thailand until the situation in Burma permits their safe return. They said they would welcome their relocation out of Bangkok to a safe zone.

They also demanded that some 100 Burmese under detention at the Immigration Detention Centre be released, and that UNHCR grant them the monthly allowance they used to receive—Bt3,000, instead of the present Bt2,500.

To protest what they called the "discriminatory" move by the UNHCR, the exiles said they would not accept their allowances this month. They alleged that the agency had reduced the allowances for Burmese while still giving Bt3,000 monthly to other nationalities.

The protesters, half of whom were ethnic Mon or from other Burmese minorities, are registered with the UNHCR. Their rally yesterday was the second in a week to express anger about their plight and that of other Burmese exiles in Thailand.

On Tuesday, 38 Burmese students staged a sit-in at the Immigration Detention Centre to protest the legal action against illegal Burmese immigrants and that group's lack of UNHCR protection. Refusing to disperse, they were later detained at the centre.

The rally yesterday was initially scheduled to be held in the morning in front of the Foundation in Support for Refugee Assistance Programmes office in the Indhamara area, where they receive their monthly assistance. The 300 protesters later moved to the UN building where they staged a sit-up [as published] awaiting the outcome of negotiations between four of their representatives and UNHCR officials.

In one of their statements released yesterday, the students called for a halt to arrests and deportations and called for Thai authorities instead to relocate them to a safe area.

They demanded that UNHCR resume issuing refugee cards to all Burmese, screen ethnic Mon, Karen and other Burmese races, provide them with vocational training and permit them to form non-political organizations.

During the protest, some students brought out pictures showing the latest repatriation, on June 20, in which two of about 30 deported Burmese were reported arrested and put in jail upon their arrival in Burma.

"Both of them are now in Insein jail" north of Rangoon, a protester said.

Joint Air Exercise Opened With Indonesia

BK0507122991 Bangkok NAEO NA in Thai 3 Jul 91 p 5

[Text] Deputy Air Force Commander Air Chief Marshal Anan Kalintha presided over the opening ceremony of the 7th Thai-Indonesian joint air exercise codenamed "Elang Thainesia" at the 1st Air Wing base in Nakhon Ratchasima Province on 2 July. He said that the joint air exercise was aimed at gaining air combat experience and strengthening relations.

Air Chief Marshal Anan also said that this was the first time that the Thai Air Force brought its F-16 fighters to join in the exercise. Other aircraft participating in the air exercise are F-5 warplanes, OV-10 fighter crafts, and helicopters. Indonesia sent only OV-10 planes to participate in the joint exercise because Indonesia is facing an economic recession. The cost will be very high if it sends more planes. Indonesia sent 120 pilots while the Thai side sent 272 pilots. The Thai side hopes that Indonesia will be more weapons-ready when it hosts the next joint air exercise.

Air Vice Marshal Thanin Fungkhachon, the combined exercise director, said that an exhibition on using air weapons of both air forces will be held at the Chaibadan Weapon Training Field on 5 July, the last day of the joint air exercise.

Vietnamese To Perform at Anniversary of Relations

BK0607015591 Bangkok THE NATION in English 6 Jul 91 p A3

[By Kawi Chongkitthawon]

[Excerpts] Hanoi—The Thai Foreign Ministry has invited a 24-member cultural troupe from Vietnam to perform in Thailand in September to celebrate the 15th anniversary of relations between the two nations.

Suraphong Chaiyanam, the Thai ambassador to Hanoi, said that the cultural show is part of the week-long celebration in Bangkok to mark the 15th anniversray of Thai-Vietnamese relations in August that will include sports events such as soccer, boxing and takraw.

The envoy said the cultural troupe will be the guest of the Thai Foreign Ministry, the first ever to be sponsored by the Thai Government, since the two countries established relations in 1976.

Thai sports organizations will also play host to Vietnam's first soccer appearance in September. The envoy said two matches are being planned for Bangkok and Chiang Mai.

Suraphong said for the first time, the Thai people will be able to see a takraw team from Vietnam competing in Thailand.

Vietnam has local takraw teams in Northern Vietnam. The sport is very popular among minorities. [passage omitted]

Next week, a group of Vietnamese social scientists will leave for Bangkok to attend rounds of seminars on Thai-Vietnamese relations and the history of the various Vietnamese minorities and their relations to Thailand.

Their visit is also part of the ongoing exchange programme between the two countries' social scientists to deepen their understandings of their countries' historical connections. In February, Thai academics and officials came here to attend a roundtable conference on Thai-Vietnamese ties.

Thailand recognised Vietnam after the reunification. Bilateral ties were strained by the Cambodian conflict and efforts to improve relations in the past few years have met with some success.

Last year, both countries agreed to hold a summit meeting, but the plan was postponed indefinitely. However, the ties worsened when the two countries became entangled in fishing disputes and alleged Vietnamese piracy in the Gulf of Thailand.

"The cultural ties are preceding very well, despite some of the difficulties which could be solved," Suraphong said.

In the past few months, cultural exchanges between Thailand and Vietnam have increased sharply.

Army TV May Set Up Relay Station in Laos

BK0407030291 Bangkok THE NATION in English 4 Jul 91 p A2

[Text] The army-run TV Channel 5 will send a technical team to explore the possibility of establishing a relay station in Luang Prabang so as to reach wider audience in Laos, National Security Council chief Suwit Suthanukun said.

Suwit said the relay station was planned at the request of Lao Government who had asked Thai army chief Suchinda Khraprayun, chairman of the Channel 5 board, during his visit to Laos in March.

The technicians are expected to survey possible sites in Luang Prabang in the middle of this month, he said.

Joint Agreement With ROK To Increase Flights

BK0507045291 Bangkok Radio Thailand Network in English 0000 GMT 5 Jul 91

[Text] A new air service agreement between Thailand and the Republic of Korea winter schedule for 1991-92, as agreed to by aviation officials of both countries, won cabinet approval this week.

According the newly concluded agreement, the designated carriers of Thailand and the Republic of Korea are now to increase the frequency of their weekly flights of 19-21 per week to be augmented to 23 flights per week in winter schedule 1992-1993 [as heard].

Tax Cut Necessary Move in Easing Protectionism

BK0407035491 Bangkok THE NATION in English 4 Jul 91 p A10

[Editorial: "Car Tax Cut Is Right Move: Now, What Comes Next?"]

[Text] The government's decision to cut taxes on cars and auto parts is a welcome move, and probably long overdue. It happens to coincide with yesterday's release of the General Agreement on Tariffs and Trade's [GATT's] report on Thai trade policy which suggests—in the most polite of terms—that Thai consumers and the Thai economy might be suffering as a result of excessive protection in this and other sectors.

As GATT said: "While benefiting specific groups of domestic producers in the short-term, these policies represent a tax on Thai consumers and, by insulating parts of the economy from the rewards and penalties of international competition, could become impediments for the future development of efficient export and import substitution industries and of economic and social development at large."

There are no economic or social grounds for consumers and taxpayers to continue to subsidize motor assembly here. Thailand does not appear to have a competitive advantage in the sector; the number of people employed in the industry is not large and would probably be more productive working elsewhere.

The Thai motor assemblers have been protected for far too long. Thirty years since 1961 is ample time for an infant industry to mature: the car assemblers now have to stand on their own feet.

The distortions caused by excessive protection are not only economic. At least two recent leading political figures may have had their clout enhanced by the extra profits (what economists call "economic rent") that protection can generate: Van Chansue (through partial ownership of Isuzu) and Phong Sarasin (through Honda). They did not need or deserve that kind of extra support. The Right to Mobility

In the modern world, and particularly when public transport is so poor, the possession of a car or motorcycle is almost a human right. Fears of increased congestion in Bangkok should not be allowed to divert attention away from this principle. There are plenty of Thais who live in the uncongested provinces who should be able to benefit from more realistic pricing of cars.

The right to possess a car and limitations on the use of cars in socially or environmentally damaging conditions are separate issues. In Bangkok (and some other parts of the country) there is already an urgent need for radical action to deal with traffic congestion.

What is needed is a combination of charges and prohibitions that prevent people from using their cars in congested areas, together "with meaningful improvements in public transport and better, more effective planning. Anan Panyarachun's government has shown decisiveness in dealing with the privileged auto assembly industry, but is increasingly being criticized for failing to take decisive actions that would directly benefit the poorest sections of society.

That is why, the critics say, the government is acting on cars, highways and telephones, but not on improving Bangkok's buses.

To be fair to the government, tackling Bangkok's traffic problems is a much more difficult task than simply reducing a few taxes. Nevertheless, the government does not appear to have even started.

The tax cuts cannot and will not be painless, however, and the government has to make sure that suffering is minimized.

Cushioning the Blow

If the car assemblers are to survive, they will have to improve their efficiency and perhaps look more seriously at regional markets in order to gain from economies of scale. One means of supporting this would be to improve the terms for component sourcing and for marketing within ASEAN—the so-called brand-to-brand complementarity programme—by cutting red tape and by encouraging more enthusiastic participation by other ASEAN members.

The local component industry may also suffer and might need temporary assistance to adjust, but this should not be a repeat of the protection that has cosseted the assemblers.

The government might also have to ensure that monopolistic practices by the auto companies do not turn the tax cuts into windfall profits. This could happen if a parent company connives with its sole agent in Thailand to keep prices high. "Grey imports"—say, a new company importing Toyotas from other countries where the cars are available at a lower price—should be allowed, and if necessary encouraged.

It remains to be seen how imported complete cars affect the local market, and whether such imports will turn out to be an attractive proposition. There is, as many have warned, a danger that imports of complete cars or increased imports of components in response to higher demand will worsen the trade deficit. To a certain extent this fear is exaggerated, however, because bits and pieces described as "local content" in cars currently on the market already contain large amounts of imported materials.

Tackling protectionism in the car industry is only the first step. There are other sectors that have to be tackled such as textiles and garments, glass, and sugar, although waiting for a Uruguay Round settlement on agriculture might be more sensible in sugar's case.

The government should also start to look at monopoly and competition and devise an effective anti-trust law.

Foreign Ministry To Promote Economic Interests

BK0707084791 Bangkok Radio Thailand Network in Thai 0530 GMT 7 Jul 91

[Text] The Foreign Ministry spokesman Sakthip Krairoek told a press conference that since the Government has ruled that the Foreign Ministry has a potential to help enhance and expand trade benefits for Thailand in other countries, the Foreign Ministry has therefore launched a project to promote the country's economic interests through the Thai embassies and consulate generals.

This project has been stated in the 6th and 7th National Economic and Social Development Board [NESDB] Plans [to be implemented during the periods of 1987-1991 and 1992-1996].

Resulting from the implementation of the project, a Mexican trade delegation led by the director general of the Mexican Department of Foreign Trade Policy and Industrial Promotion, is paying a visit to Thailand today as guests of the Thai Foreign Ministry. During their trip, the visiting Mexican trade team will hold consultations with leading personnel in both the government and private sectors.

In accordance with the Thai Foreign Ministry's trade promotion project, apart from the Mexican trade delegation, trade representatives from various countries including high-level authorities of the EC will visit Thailand on the next occasions.

The Foreign Ministry spokesman said it is expected that the implementation of the project will contribute to the country's follow-up on the situation of ever-intensifying trade competition, the adaptability to comply with international economic development, as well as to contribute to efforts to maintain the country's markets and to seek new markets for Thai goods.

NPKC Member Admits Junta Losing Credibility

BK0807013991 Bangkok BANGKOK POST in English 8 Jul 91 p 2

[Text] A member of the National Peace-Keeping Council [NPKC] yesterday admitted that the credibility of the junta is being questioned by the public because several questionable politicians in the former government have been cleared of the charge of being "unusually rich".

The NPKC member, a top ranking army officer who does not want to be identified, said the lack of strong evidence to implicate the former ministers of graft charges was the main reason for their clearance.

He dismissed reports that the NPKC had collaborated with the Assets Examination Committee to use the investigation for political purposes.

"Gen Sit is a man of integrity and our army chief holds him in high respect. We know what the answer would be if there were such requests concerning collaboration. It is just a rumour," the officer said.

The NPKC member said that Gen Sit Chairarote played an independent role in leading the committee's investigation team. There is no interference from the NPKC, he said.

However, he admitted that it was understandable why the public was disappointed with the outcome of the investigation "in which some politicians whose honesty had been doubted were cleared of the charges".

He added there were a lot of loopholes through which politicians could clear themselves of the charges.

"Even if we know that they are corrupt but if we lack evidence to implicate them, what can we do? Do you want us to use the NPKC's absolute power to freeze their assets?" the general asked.

He said the NPKC had many lessons to learn from the issue. He admitted that the NPKC had moved too slowly in dealing with the problem and could not prevent corrupt politicians from transferring their wealth to foreign countries.

He asked for public understanding on the issue saying that dealing with graft investigation was very complicated and that the NPKC was serious in tackling the issue.

"The committee's investigation process is based on the evidence shown by the politicians, but we cannot track money deposited in foreign countries. This is our shortcoming," explained the officer.

Vietnam

Do Muoi, Co Thach Receive U.S. Delegation

BK0607154691 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Jul 91

[Text] A delegation of the U.S. War Veterans Association led by representative Lane Evans, chairman of the U.S. House Veterans Affairs Committtee, paid a visit to Vietnam from 3 to 9 July [date as heard]. The delegation was accompanied by Mrs (Foote), executive director of the U.S.-Vietnam Trade Council; and Mrs (Weniger) and (Koch), assistants to U.S. senators.

The delegation was received by Do Muoi, chairman of the Council of Ministers, who had cordial talks with the American guests. Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister, also received and exchanged views with the delegation on Vietnam-U.S. relations and other issues of mutual concern.

In Hanoi, the delegation had working sessions with the Vietnamese agency in charge of the search for persons missing in action, visited an establishment for the production of artificial limbs, the National Committee for Investigation of the Consequences of Toxic Chemicals Used in the Vietnam War, and plane crash sites jointly excavated by the Vietnamese and U.S. sides. On its way home, the delegation stopped over in Hue and Ho Chi Minh City for a visit and was cordially received by the local people's committees.

The visit took place in an atmosphere of friendship and mutual understanding.

Canada Opens Diplomatic Office in Hanoi

BK0507142791 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 1 Jul 91

[Text] Mr. (Greendulle), new Canadian representative in Vietnam, said that Canada will open its first diplomatic office in Hanoi today, 1 July.

He said: Canada-Vietnam relations have reached a mature point, and we see the importance of our presence in Vietnam. Our relations are multi-faceted ones. They not only have political meaning but they also create conditions for Canadian businessmen going to Vietnam for business cooperation and investment.

Canadian-Made Computers Offered at Exhibition

BK0807111791 Hanoi VNA in English 0544 GMT 8 Jul 91

[Text] Hanoi VNA July 8—Different kinds of computers manufactured in Canada have been offered for sale in Vietnam for the first time at an exhibition held by the Electronic and Informatic Enterprise (Seatic) of Ho Chi Minh City and the Fujikama Company of Canada since June 26, 1991.

The exhibits include new models such as AT 286-15-25 and AO 386-33 with attached accessories and parts.

Also at this exhibition, Seatic introduced the latest applications of informatics in economic and social research and management in Vietnam. Most note-worthy is that Seatic experts have Vietnamized one hundred percent of the programmes on these computers.

Australian Government Gives Gift to VOV

BK0607072491 Hanoi VNA in English 0615 GMT 6 Jul 91

[Text] Hanoi VNA July 6—Radio the Voice of Vietnam (VOV) has received a compact disc player as gift from the Australian Government.

The gift, handed over by Australian Ambassador to Vietnam Graham R. Alliband to VOV Director General Phan Quang will help in improving the quality of FM music programmes on the VOV.

On this occasion, the Australian ambassador expressed hope for further development of the broadcasting cooperation between the two countries. Under their cooperation agreement, Radio Australia and the Voice of Vietnam are compiling English teaching programmes, exchanging music programmes and cooperating in training correspondents and sub-editors.

Also present at the hand-over ceremony were Tran Hoan, member of the party Central Committee and minister of culture, information, sports and tourism.

Gives Sports Equipment to Club

BK0507150491 Hanoi VNA in English 1404 GMT 5 Jul 91

[Text] Hanoi VNA July 5—Australian Ambassador to Vietnam Graham Richard Alliband has presented the Hanoi Sports Club of the Disabled with sports equipment worth 3,000 U.S. dollars.

The samples of the gift, which were handed over to the club yesterday by the ambassador himslf, included sports rifles, badminton and table tennis rackets, sports clothes, wheel-chairs, etc., for disabled players.

Linh, Tho, Khanh Attend Company Inauguration

BK0507091991 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 25 Jun 91

[Text] Recently, in Hanoi, Ministry of Heavy Industry celebrated the inauguration of the joint venture Mekong Company and the exhibition of Mekong Company products. Mekong Company is a joint venture company including the Ministry of Heavy Industry, the Dynamic and Agricultural Machine General Company, the Ho Chi Minh City Industry Office, Sakyno Company, Saeilo Machinery Incorporation of Japan, and Sae Young International Incorporated of South Korea. The new joint venture was given an investment license numbered 208 CP, on 22 June 1991.

On the opening day, Comrade General Secretary Nguyen Van Linh, Comrade Mai Chi Tho, and Comrade Nguyen Khanh inspected the areas displaying Mekong Company products. They wished that the effective cooperation between the parties will contribute to the development of the dynamic machine sector in Vietnam.

Central Highlands To Receive TV Signal

BK0507093091 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 26 Jun 91

[Text] At 2130 hrs on 21 June, soldiers in central highlands happily watched good reception Vietnam Television via satellite showing the national movements to score achievements to welcome the seventh national party congress.

This television receiving station is equipped by the Radio and Television Technological Department of the General Corporation of Posts and Telecommunications.

With their earnest attitude and in order to help central highland ethnic minorities follow seventh national party congress proceedings, the Material Department of the General Political Department cooperated with cadres from the Measurement Department of the Military Technology Institute to finish installing the equipment at the station within three days.

Transmitters Refurbished

BK0507091591 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 26 Jun 91

[Text] Implementing the motto "to fully exploit and develop the existing material and technological bases; continue to enhance the power and quality of radio and television transmission capacity" and with permission from the state, the General Corporation of Posts and Telecommunications removed two 50-kilowatt shortwave transmitters—which were installed 20 years ago in A Nuc Radio Station and were not used for many years—and refurbished them before replacing them in the CK2 Radio Station.

To welcome the seventh national party congress, cadres, party members, and staff of the Radio and Television Central Department of the General Corporation of Posts and Telecommunications quickly—in a period of three months—removed, refurbished, and re-installed the transmitters to shorten the proceedings and save hundreds of milions of dong. They completed the project with quality workmanship, put the project into use before the seventh national party congress, and increased the power of radio and television transmission to serve the people in the northwest and central highlands areas.

Agricultural Delegation Visits, Exchanges Views

BK0507071391 Hanoi VNA in English 0613 GMT 5 Jul 91

[Text] Hanoi VNA July 5—A delegation of the Lao Ministry of Agriculture and Forestry led by Vice Minister Sien Phan Thong paid a working visit to Vietnam from June 27 to July 4, 1991.

While here, the Lao guests had working sessions with the Vietnam Ministry of Agriculture and Food Industry, in the Institute for Agricultural Planning, the Institute of Veterinary Research, the Research Centre for Dairy and Beef Cattle and other institutions in Hanoi.

The two sides exchanged views on agricultural development cooperation, especially cattle breeding along the common border, coconut and orange planting, and rural development.

Lao Ambassador Departs at End of Term

BK0507024391 Hanoi VNA in French 1525 GMT 4 Jul 91

[Text] Hanoi VNA 4 Jul—Bouasi Chaleunsouk, Lao ambassador extraordinary and plenipotentiary to Vietnam, left Hanoi today at the end of his term in Hanoi.

Greetings Sent to Cambodian Counterparts

BK0507143791 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 Jun 91

["Message of Greetings" sent to Sam Sundoeun, president of the Cambodia-SRV Friendship Association, by the Executive Central Committee of the SRV-Cambodia Friendship Association on the 40th founding anniversary of the Kampuchean People's Revolutionary Party, 28 June 1951 to 28 June 1991]

[Text] We would like to send to you, and through you, to the fraternal Cambodian party and people, our warmest affection and the best congratulations.

On this occasion, we would like to show our deepest appreciation for the valuable support and help that the Cambodian party and people have given to our people's revolutionary undertaking.

Afghan, Mongolian Leaders Congratulate Do Muoi

BK0407154391 Hanoi VNA in English 1447 GMT 4 Jul 91

[Text] Hanoi VNA July 4—The newly elected General Secretary of the Communist [Party] of Vietnam Central Committee, Do Muoi, has received congratulations from Mongolian, Afghan and Portuguese party leaders.

In his congratulatory message, D. Yondon, chairman of the Mongolian People's Revolutionary Party Central Committee, wishes that the relations between the Mongolian and Vietnamese parties and governments will be further consolidated and developed.

For his part, Najibollah, chairman of the Watan Party of Afghanistan, expressed his belief that under Do Muoi's leadership, the existing friendly relations between the two parties, countries and peoples will be further developed.

The message of the General Secretary of the Portuguese Communist Party Alvaro Cunhal affirmed the great attention given by the Portuguese Communists to the strengthening of the traditional friendship, cooperation and solidarity between the two parties for the common cause of socialism.

Cuban Party Delegation Leaves Hanoi 5 Jul

BK0507151591 Hanoi VNA in English 1409 GMT 5 Jul 91

[Text] Hanoi VNA July 5—The Cuban party delegation led by Mrs. Jolanda Ferrer, alternate politburo member, which was here for the Seventh Congress of the Communist Party of Vietnam [CPV], left here today.

It was seen off by Dao Duy Tung, politburo member and secretary of the CPV Central Committee, Truong My Hoa, secretary of the party Central Committee and deputy president of the Vietnam Women's Union.

During its stay in Vietnam the Cuban delegation visited the Ho Chi Minh Museum in Hanoi, the Hoa Binh hydroelectric power plant on Da River, and toured various cultural, social, and economic establishments in Hanoi, Ho Chi Minh City, and the provinces of Quang Nam-Da Nang, Tay Ninh, and Thua Thin Hue.

Second Half Goals Set by Council of Ministers

BK0807053791 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Jul 91

[Text] In late June, the Council of Ministers' standing committee held a conference with the chairmen of the people's committees of provinces, municipalities, and special zones directly subordinate to the central government in order to review the socioeconomic situation during the first half of 1991 and to set forth new tasks for the last six months of the year.

The committee noted that northern provinces had experienced a large shortfall in their winter-spring crop production output. While southern provinces had harvested a bumper crop, this could not off-set the said shortfall. Unsalable goods were piling up at warehouses due to low demand from markets at home and abroad. This has seriously affected the employment situation and the lives of working people. As a result, state revenue—especially the collection of taxes—had experienced a large shortfall. In addition, corruption, goods smuggling, and illegal trading have not been overcome, while social vices are on the increase.

The standing committee contended that, despite acute socioeconomic difficulties during the past six months, the Council of Ministers, ministries, sectors, and people's committees at various levels have integrated their efforts in guiding and supervising localities to overcome numerous difficulties so that they might be able to cope with the situation and produce some results.

The standing committee set forth key tasks for the second half of the year, especially the pressing tasks that must be carried out in July. In agriculture, localities must pay special attention to supervising the 10th-month rice planting; they must also supply more fertilizer and insecticide to peasants to help them plant more rice and subsidiary food crops as well as to improve animal husbandry. Localities may import maize, if warranted, to develop animal husbandry while striving to increase the volume of goods for export. Regarding industry, efforts should be made to rearrange operations at state-run industrial enterprises, to resolve the shortage of materials, to settle debts, and to create favorable conditions for competent enterprises to develop their production. They should deal firmly with enterprises that have operated at a loss for a long period, including enterprises managed by districts, provinces, and organs at the central level.

Concerning goods circulation and distribution, sectors at the central and local levels must strive to sell goods—especially goods for export that have piled up at warehouses—encourage the production of goods in demand for export, and strictly control imported goods.

Regarding the financial front, localities must strive to fulfill tax collections as prescribed by the law, seriously implement the motto of practicing thrift, and ensure that there are budgets for key projects and plans.

The standing committee urged people's committees of various echelons to take maximum care of the people's material and spiritual life, while striving to oppose corruption and goods smuggling, maintain social order, and strengthen security and national defense.

News Briefs on Feather, Leather, Food Exports

BK0607073691 Hanoi VNA in English 0619 GMT 6 Jul 91

[Text] Hanoi VNA July 6—After three months' operation (April-June), the Hanoi feather processing factory has exported 21 tons of feathers to Japan, Taiwan and Hong Kong valued at more than one billion Vietnam dong.

The factory has replaced its previous production chain with a FRG-made chain at a cost of more than one million U.S. dollars capable of processing 300 tons of feathers per year.

The factory plans to produce three tons of down of the 85 percent grade and 15 tons of down of the DD grade for export in July.

—The Thuy Khe leather factory under the Ministry of Light Industry has imported a tannery of India valued at US $600,000 which helped it to double the present capacity.

As a result, the factory turned out 300,000 pia of leather for making sports balls to export to Algeria.

—The Hung Vuong Export Food Proccesing Company in Ho Chi Minh City has exported to Britain, Japan and Hong Kong 2,200 tons of sea products, 60 per cent of them frozen shrimps, and 3.5 million of salted eggs, achieving an export value of 7.1 US dollars, an increase of 20-30 per cent over the same period last year.

Besides the Vinh Loi food proccessing factory with a capacity of eight tons per day, the company will put into operation a new one with a capacity of between four and eight tons per day by mid-July.

Human Resources Development Workshop Held

BK0507154191 Hanoi VNA in English 1421 GMT 5 Jul 91

[Text] Hanoi VNA July 5—A workshop on human resources development in coastal land reclamation was held here on July 4-5 under the co-sponsorship of the European Community Programme for the Repatriation and Reintegration of Asylum Seekers of Vietnam and the Hanoi Water Resources University.

It was attended by Tran Dinh Hoan and Ms. Nguyen Thi Hang, respectively minister and vice-minister of labour, war invalids and social affairs, Nguyen Canh Dinh, minister of water resources, Ngo The Dan, vice-minister of agriculture and food industry, P.K. Williams, British Ambassador, Mr. Leonne Shumonial, country director of the Coperation [as received] American Remittances to Everywhere (CARE) Ms. Nila Silvertsen, representative of the Norwegian/Danish Refugee Council Dr. Pierre Daveloos, health specialist of EC Programme in Hanoi and others.

Fifty three (53) papers presented at the workshop focused on three main contents: natural conditions, tradition and general policies on coastal land reclamation irrigation and coastal land reclamation technology and human resouces development in coastal land reclamation.

The workshop also referred to the EC Programme for the Repatriation and Reintegration of Asylum Seekers of Vietnam which is aimed at stabilizing their life through job creation.

Ho Chi Minh Thought on Path to Socialism

BK0607100191 Hanoi TAP CHI CONG SAN in Vietnamese May 91 pp 2-6

[Article By Song Thanh: "Ho Chi Minh's Thought on the Path to Socialism in Vietnam"]

[Text] The Unity Between the Object of National Independence, Democracy and Socialism.

Recently, some opinions assume that the basic ideology of President Ho Chi Minh, "Nothing is More Precious Than Independence and Freedom," is building a Vietnam of "peace, unity, independence, democracy, and prosperity" but not socialism. Even in his will, a document which was carefully thought over and corrected several times by him, where are the sentences and paragraphs mentioning the choice of socialism?

Therefore, some people suggest that the object of socialist building at present and in future should be postponed, we should return to the popular democratic regime with the name of the country as the Democratic Republic of Vietnam ... Some suggest that we return to the Summary Political Platform prepared by Nguyen Ai Quoc and passed by the Conference for Party Formation (February 1930). They also name the platform "Platform for the Bourgeois Revolution of Civil Rights" with some excerpts (from where?): "land for peasants (private ownership of land), all the social classes and strata are free to conduct business, free to hire labor, free to do professional practice for intellectuals, free to sell labor" ... and, for them, "the bourgeois revolution of civil rights is just a starting point, it needs to be adjusted to the current era to be perfect."

From those excerpts, we can see that Ho Chi Minh's thoughts were trimmed down, misrepresented, distorted, and added up, ... to serve their purpose: To contradict and contrast Uncle Ho with our party, a party formed, trained, and led by him; contrast and contradict Uncle Ho with the party management, a management trained by him; contrast and contradict Uncle Ho with Maxist-Leninism which he always considered as a guide for his activities; and seperate the object of national independence, democracy with socialism, which was chosen by him.

It is correct that he used to say "Overall, I am a patriot only!", but Uncle Ho also proudly admitted that he was a communist, a socialist combatant! Nguyen Ai Quoc advanced from patriotism, humanitarianism, to socialism. At the very beginning, after discovering the road of national salvation from the cause of proletarian revolution, in Nguyen Ai Quoc: national independence, democracy, and humanity were united into one, in socialism.

Even in the first two articles about Indochina in 1921, Nguyen Ai Quoc clearly saw the strength of socialist ideology in sowing the seeds for national liberation. Where to proceed after the liberation? Can communism be applied in Asia in general and in Indochina in particular? After analyzing political, social, historical, and geographical conditions, Nguyen Ai Quoc concluded: "communism is easier to adopt in Asia than in Europe". The Summarized Political Platform also clearly pointed out that the object of the party is "conducting a bourgeois revolution of civil rights and land revolution to advance to communist society." Then, in the political report at the second congress of the party (February 1951), in the report the Change of Constitution (February 1959), and in the interview with Charles Fourniaux not long before his death, Ho Chi Minh, as always, confirmed the purpose of "struggling for a complete unity and independence, leading the entire people to implement new democracy, and creating conditions to advance to socialism."

This united attachment is shown in two stages: people's national democratic revolution and socialism revolution, the former is a prerequisite to implement the former, the latter is a consequence, a necessary development of the former. When Ho Chi Minh wrote: "to save the nation and liberate the people there is no other road than the road of proletarian revolution," that means: Choosing socialism is neither a temporary solution nor a short-term choice, but rather an inevitable historic development. At the same time, when he confirmed: "Only socialism and communism can liberate oppressed people and the working class in the world", that means: Only socialism can take the cause of national liberation to a complete victory, guarantee our people a stable independence, and release the working class from exploitation and poverty.

Is it correct that in his will, Ho Chi Minh did not mention socialism? Yes, there is no paragraph in the will where he specifically mentioned the duty of building socialism after the war ended. But ask yourself, when he wrote on Marx, Lenin, the international communist movement, the party reconstruction, plans on economic cultural development to improve people's life, training of future revolutionary generations to become successors in socialist building, and on struggling to get rid of things which are outdated and defective to create things which are new, better, and so forth... what are these thoughts if they are not socialism?

In Ho Chi Minh's thoughts on a new social structure, the objective of national independence, democracy, and socialism cannot be separated but rather must be combined in a united form. Detachment and isolation of these elements would be superficial and incorrect.

At the moment, there are people who merely exploit the national democratic factor by stressing it while neglecting the socialist factor in Uncle Ho's thoughts. This is a misrepresented and distorted act with bad intentions.

The socialist revolution is a process of profound and most difficult change, that must be carried out gradually without haste.

When asked "if Vietnam could become a communist country in 50 years" by a Western journalist at the Royal Monceau (in Paris) on 12 July 1946, President Ho Chi Minh said: "To advocate communism, we must have industrial land and agricultural land and everyone of us must fully develop his ability. Our country still lacks these conditions." (Footnote 1: Ho Chi Minh, complete works, Su That Publishing House, Hanoi 1984, volume 4, page 149)

As pointed out by President Ho Chi Minh in the political report at the second party congress, the main objective of the war of resistance against the French was to restore national unification and total independence."

The question of transition to socialism was mentioned for the first time by him in his speech at the opening session of the first theoretical course at the Nguyen Ai Quoc School on 7 September 1957: "Since peace was restored and the north was liberated, we have embarked on the period of gradual transition to socialism" (Footnote 3: Sdd, volume 7, page 783). He, however, reminded us repeatedly: "The socialist revolution cannot be carried out rapidly. It must be carried out gradually...we cannot advance to socialism overnight. Because Vietnam is a backward agricultural country, the process of turning an old society into a new one is much more difficult and complicated than fighting the aggressors."

However, in 1960, why did we see in our country, the emergence of the standpoint on "advancing rapidly, vigorously, steadily, and directly to socialism?" As we are well aware, the early 1960s were a period of ascendancy for voluntarism. At that time, the international communists' and workers' movement was endowed with a popular conception: Communism and socialism have now become not only the great cause of the socialist countries, but also the immediate objective for all the other countries in the world. However, within only a few years, people had been compelled to pay a dear price for these mistakes, illusions, and acts of voluntarism. The rate of growth of the socialist countries was reduced and began to show signs of sluggishness and regression.

In our country, these mistakes were manifested most clearly in the organizational and operational forms of the movement for agricultural cooperativization. President Ho Chi Minh, however, quickly prevented and corrected all manifestations of subjectivism, hastiness, commandism, coerciveness, and other deviations that had been revealed during the first years of socialist construction in the North. He said: "Advancing rapidly and steadily does not mean adventurousness or careless. We must advance steadily but step by step... We should not allow our subjectivism to take the place of actual conditions" (Footnote 3: Sdd, volume 9, pages 69-70). Being concerned over the situation of the countryside and agriculture, he followed and directed the compilation of regulations on agricultural cooperatives and wrote the introduction to the regulations himself. Chatting with the comrade leaders of the Vietnam Confederation of Trade Unions on 18 July 1969, he said: "We are building socialism with two bare hands. Therefore, we still will face many difficulties for a long time" (Footnote 4: Sdd, volume 10, page 812).

The Outline of Socialism in Vietnam Drawn By President Ho Chi Minh

Did President Ho Chi Minh absorb an adequate and clear idea concerning the path to socialism in Vietnam? This is an austere question that needs an unreserved and careful explanation.

President Ho Chi Minh's thoughts about a new society—socialist society—emerged at the same time with those concerning the struggle for national liberation. However, because the issues of a new society and national liberation were not regarded as the immediate objectives, conditions had not yet been created for him to expand further on these thoughts. The major concepts concerning socialism in Vietnam were often expressed by the president during the period from 1954 to to 1964. This, however, should be considered only as a preliminary outline for socialist construction in Vietnam.

So, what contents can we point out in that preliminary outline for socialism in our country by President Ho Chi Minh?

1. Regarding Knowledge

President Ho Chi Minh said: "To know how to advance to socialism, first of all, we must know what socialism means" (Footnote 5: Sdd, volume 7, page 496). To make it simple and easily understandable, socialism means: "An ever better material and spiritual life for the people, especially the laboring people" (Footnote 6: Sdd, volume 9, page 22). "Socialism also means justice and rationality: remuneration system based on actual work performance. Old or weak or disabled people will be taken care of and assisted by the state" (Footnote 7: Sdd, volume 8, page 130).

At another place, he made it clearer: "That is a society without the exploitation of man by man, a society in which everybody is happy and proud and can enjoy freedom and equality, and a worthy world for mankind" (Footnote 8: Sdd, volume 8, page 284).

Thus, President Ho Chi Minh himself believed that socialism constitutes the most superior social system in history and a society—characterized by justice, rationality, freedom, humanity and an increasingly high living standard, both materially and culturally—in which "everybody can fully develop his ability."

In view of this, advancing gradually to socialism is a pressing need for tens of millions of laboring people. We can see more clearly the indivisibility in the Ho Chi Minh concepts: After national liberation, to emancipate society and human beings, there is no path of advancement other than the one to socialism. For this reason, "our patriotism and love for the people must be linked closely to our love for socialism. This is because only by advancing to socialism can we bring about an increasingly abundant life for our people and make our country ever prosperous and powerful" (Footnote 9: Sdd, volume 8, page 128).

Evidently, in this connection, "one of the fundamental tasks of the socialist revolution is to make labor productivity higher than that of capitalism." (Footnote 10) (Cited book, volume 8, page 707). Otherwise, it would be merely a dream or an aspiration. However, it is a long and difficult process for a backward and war-torn agricultural country to go through the period of indirect transition to socialism. This cannot be achieved overnight. He has frequently reminded us that: "Socialist construction is a complex, dangerous and long revolutionary struggle." (Footnote 11) (Cited book, volume 8, page 3).

2. On socialist objectives.

Together with his knowledge of the nature of socialism, President Ho Chi Minh also preliminarily pointed out the socialist objectives in our country: To build a new regime, a new economy, a new culture and new socialist men.

The new regime we have built is mastered by the laboring people and based on the alliance of workers, peasants and intellectuals. "All powers in the country...belong to the people, all state agencies must rely on the people, maintain close relations with the people, listen to their views and be placed under their control." (Footnote 12) (Cited book, Volume 8, pages 564-565). "Since the people are masters, what will ministers, vice ministers and these committee members be doing ? They will be servants. They will serve the people and will not be revolutionary mandarins." (Footnote 13) (Cited book, volume 7, page 654). "On the strength of the increasingly developed socioeconomic situation, the capitalist ways of exploitation will be gradually eliminated and the material and cultural lives of the people will improve every day," (Footnote 14) (Cited book, Volume 8, page 566), "giving everyone a job, and a life of plenty and happiness." (Footnote 15) (Cited book, volume 8, page 603).

The new economy we have built is "a socialist economy with modern industry and agriculture and advanced science and technology". (Footnote 16) (Cited book, volume 8, page 561). In the transitional period, there will be still be four main forms of ownerships in that economy: State ownership of the people; the collective ownership of the laboring people; the individual worker's ownership; and capitalist ownership, where "the state owned economy belong to all people. The state economic sector leads the national economy and the state must ensure its development as a priority." (Footnote 17) (Cited book, volume 8, page 561).

Socialism is linked closely with the industrial revolution. Without modern industry, there will be no socialism. For a backward country that has not been through the stage of capitalist development, socialist industrialization is inevitable. This has been true for our country, although industrialization can be carried out in many ways and not necessarily in solely developing heavy industry as a priority, though this is a reasonable one.

The new culture that President Ho Chi Minh contended to build is "a culture that is socialist in contents and national in form" and which inherits all the traditional values of the nation in combination with the selective essence of mankind's culture.

New socialist men are those with the spirit and ability to exercise their mastery, the diligence, thrift, honesty, fairness and impartiality, and scientific and technological knowledge, and who are sensitive to new things and have a style of living and working scientifically...

3. On the impetus, steps and way of building socialism in our country.

The revolution is an undertaking of the masses. Everything is of the people, for the people and by the people. This is the core issue of President Ho Chi Minh's human strategy. He said: "If we want socialism, there is no other way than to use the strength of all people to produce" (Footnote 18) (Cited book, volume 9, page 66). To promote the human factor, we must make an impact on the demands and interests of people. Ho Chi Minh criticized individualism, but more than anyone else, he was very keen about the demands and interests of each person, and he emphasized measures to stimulate economic and moral interests.

Regarding the speed and steps of the socialist revolution in our country, especially in the cooperativization movement, he has already warned us against hastiness and impatience, and repeatedly reminded us to take it step by step: "In rural areas...we must begin with land reform then move to the organization of work exchange teams, satisfactorily and in a broad manner, before advancing to the easy forms of small and then larger cooperatives..."

"In cities...we will advise the bourgeois—not force, but educate and persuade them—to pool their investments with the government. Capitalists will cooperate with the government in production under the leadership of the working class" (Footnote 19) (Cited book, volume 7, page 498).

With respect to the way of working, President Ho Chi Minh always reminded us of the need to oppose plagiarism and dogmatism and to seek our own way, depending on the situation and characteristics of our country and the overall summary of our realistic experiences. "We cannot be like the Soviet Union because the Soviet Union has different customs and mores, and different history and geography" (Footnote 20) (Cited book, volume 7, page 499). Nor can we apply China's experiences mechanically. In an interview by an American UPI correspondent who asked: "Does the Democratic Republic of Vietnam intend to establish people's communes like those in the People's Republic of China?", he said: "In the immediate future, we do not intend to organize people's communes. We plan to cooperativize the rural areas, increase production and further improve the people's livelihood." (Footnote 20) (Cited book, volume 8, page 267).

Australia

Government Disappointed With Latest French Test

BK0607090591 Hong Kong AFP in English 0655 GMT 6 Jul 91

[Text] Sydney, July 6 (AFP)—Australia expressed disappointment Saturday over the latest nuclear explosion by France at Mururoa Atoll in the South Pacific.

An Australian Foreign Affairs department spokesman said the government, like most other Pacific states, opposed nuclear test bases in the region.

He said Australia was "disappointed" about the latest blast, announced by military authorities in Paris on Friday.

The latest test came just a day after reports that France had made Rainbow Warrior saboteur Alain Mafart a knight in the national order of merit.

The energy released by the explosion at Mururoa was less than 10 kilotonnes (10,000 tonnes of TNT), a relatively small blast in comparison with the rest of France's testing program.

May Deficit of A$857 Million Lowest in 3 Years

BK0507084091 Melbourne Radio Australia in English 0500 GMT 5 Jul 91

[Text] Australia's monthly balance of payments' deficit has fallen to its lowest level in more than three years. The deficit for May was A$857 million with exports up and imports down. However, the treasurer, John Kerin, has cautioned against being too optimistic about the figures as Linda Motson reports.

[Begin recording] [Motson] The monthly trade deficit is down 45 percent on April, showing exports up by 6 percent and imports down 9 percent. But Mr. Kerin is cautious, warning against reading too much into monthly figures and taking heart only from the longer term result of a 30 percent turnaround in the balance of payments in the year to May.

[Kerin] The steady progress that the government is making in managing the economy, particularly the firm fiscal stance, and that has been appropriate, and it really is not the time to downturn.

[Motson] The treasurer would not be drawn in on the future for interest rates and he again named inflation the number one target of a continuing tight economic policy. [end recording]

Fiji

Commentary on Mahathir's Criticism of Australia

BK0507095391 Kuala Lumpur BERNAMA in English 0909 GMT 5 Jul 91

[By Abdul Rahman Sulaiman]

[Text] Nadi (Fiji), July 5 (BERNAMA)—Malaysia has no respect for any country or people who tell lies or say nasty things about other countries for their own benefit, Prime Minister Dr. Mahathir Mohamed said Friday.

He told a press conference that Malaysia could not be expected to sit still and smile in the event that the country was made the target for such an action.

"They must not be angry when we protest in our own way," he said in response to a question posed by an Australian journalist pertaining to the current relations between Malaysia and Australia.

The prime minister said: "As much as they can say nasty things about us and expect us to smile, they should be willing to have nasty things said about them or nasty actions taken against them."

Relations between Malaysia and Australia had of late been cool as a result of what the Western press described as Malaysia's displeasure over a series of television programmes aired by the Australian Broadcasting Corporation (ABC) which offended Malaysia.

Dr. Mahathir said although it was easy to say that the Australian Government had nothing to do with the programmes as it respected the freedom of the press and therefore was in no position to influence the ABC, the government did in fact take the station to task when it gave a pro-Saddam Husayn coverage during the recent Gulf war.

In any event, he said, the Australian Government did describe the Malaysians as barbaric once.

On Malaysia's petroleum crude which Fiji is buying at a rate of 10,000 barrels per day, the prime minister said he was willing to consider supplying more but this depended on Malaysia's production capacity.

At the moment, Malaysia was not in a position to increase its production which amounted to 650,000 barrels a day as it had to follow strictly its conservation policy.

He denied a suggestion, said to be mooted by international oil companies here which were unhappy over Fiji's purchase of the Malaysian crude, that it was of inferior quality.

Dr. Mahathir said the Malaysian crude was in fact of superior quality as it was low in sulphur content and other impurities.

Earlier, the prime minister who is here on a 24-hour visit on the way home from a three-week tour of Latin American countries, met his Fijian counterpart, Ratu Sir Kamisese Mara and several of his cabinet members.

Dr. Mahathir said he briefed the Fijian prime minister on the outcome of his visit, especially on his proposal to open up the southern route involving air and sea links between Southeast Asia and South America.

He said Ratu Sir Kamisese Mara was positive about the proposal which, among other things, intended to use Fiji as one of the stop-over points.

The prime minister and his entourage arrived here early Friday from Mendoza after a four-day visit to Argentina.

He made a three-hour stop in Easter Island where he was given an emotional send-off by the family of a 36-year-old Chilean fisherman who successfully underwent surgery on board the prime minister's Malaysia Airlines flight from the island to Santiago on June 18.

New Caledonia

Environment Group Moves to Western Samoa

BK0407094091 Hong Kong AFP in English 0843 GMT 4 Jul 91

[Text] Noumea, July 4 (AFP)—The headquarters of the South Pacific Regional Environment Programme will move to Western Samoa, delegates to its fourth intergovernmental conference decided Thursday.

It currently sits in this city, the capital of New Caledonia, (words indistinct) a body subordinate to the South Pacific Conference, but it is expected to be made an independent organisation and put in charge of overseeing a five-year plan for protecting the South Pacific environment.

All three decisions are expected to be adopted by consensus during the ministerial session of the conference, which begins Friday, after top bureaucratic officials currently meeting finish these sessions.

New Zealand

New Policy Designed To Increase Immigrants

BK0307121091 Hong Kong AFP in English 1139 GMT 3 Jul 91

[Text] Wellington, July 3 (AFP)—A new immigration policy designed to increase the number of people moving to New Zealand was introduced in Parliament Wednesday by Immigration Minister Bill Birch.

He said the new bill, when passed into law, would crack down on immigration abuses while allowing a steady increase in immigration, up to about 20,000 people a year.

The measure will boost New Zealand's struggling economy, Mr. Birch said, adding that "quality migrants will bring skills, capital and energy which will increase domestic demand and provide employment opportunities."

Under the new procedures, prospective immigrants will be considered for permanent residence under a points system using criteria such as education, work experience and age, as well as settlement factors such as a knowledge of English, a job offer or sponsorship.

Applicants in the business investment category, said Mr. Birch, would be assessed on the basis of their business skills and would be required to transfer a minimum of 500,000 New Zealand dollars (288,000 U.S.) and leave it in New Zealand for a minimum of two years.

Mr. Birch said the government hoped to attract 2,000 business category immigrants annually, resulting in a capital inflow of one billion New Zealand dollars (576 million U.S.).

However, Mr. Birch acknowledged past abuses and said rules would be tightened up under the business category.

"In the past, the business immigration programme was open to abuse," he said. "Some people did not honour their commitments to invest in New Zealand and used the provisions for their own gain.

"To ensure this does not occur, applicants will not be granted residency until evidence is sighted that the funds have been correctly lodged in New Zealand. We would be able to revoke residency where the funds are not kept here for at least two years."

In the family category, prospective immigrants will be required to demonstrate a genuine relationship with a New Zealand spouse, family member or partner.

The new policy will allow for immigration under humanitarian grounds with provisions for the entry of people recognised as refugees by the United Nations High Commission for Refugees, for other people whose circumstances are particularly difficult, or for those who have a connection with New Zealand, the minister said.

He told parliament that special quotas of 1,100 and 1,000 a year respectively for immigrants from Western Samoa and the Netherlands would remain in place.

An estimated 20,000 people have overstayed their visas in New Zealand and the number of "overstayers" is increasing by 2,000 a year, but Mr. Birch said tough measures would be taken to halt the practice.

"We cannot continue to see our immigration system gate-crashed by people using temporary permits who then proceed to attempt to stay here by any means," he said.

Most overstayers are Western Samoans, although the number of Punjabis from India is rapidly increasing, said Mr. Birch, announcing the introduction of two new types of visas—limited and transit.

The transit visa was designed to halt what officials say is a growing practice among Hong Kong residents seeking entry into the United States.

Officials say they arrive in New Zealand with onward tickets and are met in the transit lounge of Auckland International Airport where they pick up illegally obtained or forged passports and documents for the United States.